

2009: SB19

MEMORANDUM TO: School Business Officials

FROM: Nancy Whynot
Director, Capital Programs Branch

DATE: May 21, 2009

SUBJECT: **Reporting Requirements: Energy Efficiency and Good Places to Learn**

As a follow-up to **Memorandum 2009:B5 - Energy Efficient Schools Funding** dated April 24, 2009, I am writing with more details regarding reporting requirements and grants to school boards. I am also writing to remind boards of their reporting obligations for Good Places to Learn (GPL) and to inform boards of the deadline for starting projects supported by GPL Stages 1 through 4.

Energy Efficient Schools Funding Payments

As outlined in the previous memo, the Energy Efficient Schools Funding is not part of the GSN. It will flow as a new capital grant. Payments will be made through EFIS based on the Energy Efficient Schools Funding schedule to the new Master Transfer Payment Agreement used for non-GSN funding. The Master Transfer Payment Agreement and the schedule will be sent out shortly and boards are asked to return them signed by June 30, 2009 in order to receive the first payment through EFIS in July 2009.

Boards are reminded that the work supported by this funding is expected to begin immediately and be completed by August 31, 2011. Funding is only to be used in existing permanent school facilities and cannot be used for administrative facilities or for the construction of new schools. Eligible projects may include those that had been planned prior to April 1, 2009, but not those that have been started or contracted prior to that date.

Funding that has been received but not used during the school year will be reported as deferred revenue in the board's financial statement. Revenue from the \$25 million for Operational Efficiency (Operating) funding will be reported as deferred operating revenue and all other revenue will be reported as deferred capital revenue and captured in schedule 5.1 in EFIS forms under a new category labelled "Energy and Other Capital." Full instructions will be provided in the 2008-09 financial statements.

The grants to school boards will flow as follows:

Date	Funding Source	Grant to Board
July 2009	Operational Efficiency (Operating)	Full allocation
	Operational Efficiency (Small Equipment)	40 percent of 2009-10 allocation
	Renewal of Major Building Components	20 percent of 2009-10 allocation
September 2009	Operational Efficiency (Small Equipment)	60 percent of 2009-10 allocation
	Renewal of Major Building Components	80 percent of 2009-10 allocation
June 2010 to January 2011	Operational Efficiency (Small Equipment)	Full 2010-11 allocation
	Renewal of Major Building Components	Full 2010-11 allocation
Starting in July 2009	Renovations and Retrofits of Existing Schools	Allocation and grant payment schedule to be outlined in approval letters to boards based on milestones

Energy Efficient Schools Reporting

There are reporting requirements for the use of Energy Efficient School Funding to support the high standards of accountability of the Province of Ontario and school boards.

For the board's share of the \$25M Investments in Operational Efficiency (Operating), boards are expected to complete a form (see attached Appendix A) by January 31, 2010 to describe how the full funding was used. This form must be completed before a board can receive 2010-11 Energy Efficiency funding.

For the board's share of the \$75M Investments in Operational Efficiency (Small Equipment) and the \$300M Renewal of Major Building Components, boards are expected to report through ReCAPP their projects and funding sources. The following changes will be made to ReCAPP by June 1, 2009 to support this reporting:

- Energy Efficiency-eligible building components will be identified, based on the list attached as Appendix B to Memorandum 2009:B5.
- A new component category will be added under "Functional" called "Other energy-related equipment" for equipment that is eligible through the \$75M investment in Operational Efficiency (Small Equipment). Boards can select this category for eligible equipment that does not clearly correspond with the existing component list.
- Two new "Energy Efficiency" funding categories will be added, which boards will select to identify the funding source for Energy Efficiency projects:
 1. Energy Efficiency – Equipment: For projects supported by the \$75M investment in Operational Efficiency (Small Equipment)

2. Energy Efficiency – Building Components: For projects supported by the \$300M investment in Renewal of Major Building Components

Boards may undertake projects that replace, renew or install these energy-related components and equipment. For projects that involve, but are not limited to, these components, boards are expected to use renewal or GPL funding in addition to Energy Efficiency funding.

As with GPL, boards will indicate in ReCAPP:

- Status of the project (approved, active, complete)
- Start date and completion date of the project
- Cost of the project (estimated and actual)
- Funding source (“Energy Efficiency – Equipment” and “Energy Efficiency – Building Components”)

Boards will have to ensure their school inventory is up-to-date in order to use this funding at recently built schools.

For boards receiving an allocation from the \$150 million for Renovations and Retrofits of Existing Schools, they will be expected to report on the project milestones through SFIS to generate cash flow. More details will follow in approval letters to boards.

Qualifying for 2010-11 Funding

To qualify for 2010-11 funding for Operational Efficiency (Small Equipment) and Renewal of Major Building Components, boards must:

- identify Energy Efficiency projects that are approved, active or complete for the entire amount of their 2009-10 funding allocation in these categories;
- complete projects whose costs represent at least 70% of the board’s 2009-10 allocation;
- complete the form attached as Appendix A.

Boards should inform us in writing when these reporting requirements are met. If boards have completed these requirements by April 30, 2010, they will receive the full allocations for 2010-11 in June 2010. The final deadline for boards to complete these requirements is December 15, 2010, which will enable boards to receive the full allocations for 2010-11 in February 2011. The Ministry is unable to flow funding for these projects after the 2010-11 fiscal year.

Energy Savings Reporting

As indicated in Memorandum 2009:B5, school boards will be expected to report to the Ministry on the impact on energy use of the projects supported by this investment. Until details of this reporting are finalized, boards are encouraged to capture relevant information in ReCAPP, such as energy-related details of new components and those that were replaced or enhanced, where applicable.

Boards should also ensure that they have baseline data on the energy consumption of their schools, particularly those where they anticipate making significant investments, by working with local utilities and by installing interval meters (which can be purchased as part of this investment).

Good Places to Learn Reporting

ReCAPP is the accountability tool the Ministry and Province of Ontario use to evaluate the use and effectiveness of the \$2.25 billion Good Places to Learn program. ReCAPP also provides boards with valuable capital planning and facilities management information that is the foundation of strong business practices. It also provides information to the Ministry about the condition of our schools, which is critical to program and funding decisions.

The GPL reporting expectations were first outlined in Memorandum 2005:SB30. They were reiterated in memoranda 2006:SB18 and 2007:SB18. These reporting expectations have been in place for each stage of GPL funding, and they are:

- Status of the project (approved, active, complete)
- Start date and completion date of the project
- Actual cost of the project and reasons for change compared to original estimate
- Funding source (GPL 1, 2, 3 or 4)

The Ministry reminds boards of their obligation to record all GPL-related projects in ReCAPP and ask that all projects or events that have been approved, active or completed as of August 31, 2009 be updated in ReCAPP by October 31, 2009. In completing this work, the Ministry asks that boards review GPL eligibility parameters, including the Priority Escalation Flexibility outlined in Memorandum 2007:SB18.

The Ministry asks that board directors approve the documentation of the GPL projects approved, active or completed as of August 31, 2009.

As boards update their data, they are also expected to perform several tasks that will improve the quality of the data:

- Update asset inventory: add new schools and additions, remove closed schools and demolished schools, update school names;
- Archive completed projects
- Advance “unfunded events” to current school year;
- Remove “cycle events” from the database; and
- Review and update component inventory per school.

Training is available from Altus to assist boards in completing this work.

Boards are required to continue to maintain and update GPL activity as it occurs. Future capital funding will be dependent on whether a board’s data in ReCAPP is up-to-date.

Good Places to Learn Project Completions

GPL was first announced in 2005 and Stage 4 funding allocations were announced on January 14, 2009. The Ministry wants to ensure that this funding is used in the appropriate time-frame to maintain the integrity of government and school board fiscal and capital planning.

As a result, the Ministry’s expectation is that all GPL-supported renewal projects will be board-approved, active or completed by August 31, 2010.

Energy Resources

The Ministry encourages boards to work with our Incentive Programs Advisor Robert Smith, at Robert.Smith@ycdsb.ca or 905-713-1211, ext. 2493, to make the best use of existing energy incentive programs, such as the Energy Retrofit Incentive Program <http://www.erip.ca/>, a partnership between the Ontario Power Authority and local utilities.

The Ministry also encourages boards to make full use of energy management resources, such as:

- <http://oeo.nrcan.gc.ca/commercial/index.cfm?attr=20> – Natural Resources Canada, energy management information
- <http://oeo.nrcan.gc.ca/commercial/equipment/index.cfm?attr=20> – Natural Resources Canada equipment information

English-language resources

- http://www.masstech.org/greenschools/green_schools/gs_publications.html - Publications from Massachusetts
- http://www.edfacilities.org/rl/high_performance.cfm - U.S. Clearing House for Educational Facilities

A summary of key dates is attached in Appendix B. If you have any questions or require further clarification, please contact Amy Olmstead at 416-326-9921 or Amy.Olmstead@Ontario.ca



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Cc: Directors of Education
Superintendents of Plant
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