

2010: SB2

MEMORANDUM TO: Directors of Education
School Business Officials

FROM: Nancy Whynot
Director
Capital Programs Branch

DATE: January 15, 2010

SUBJECT: **Capital Updates**

I am writing to provide school boards with an update on various capital related issues including:

1. New Accountability Measures for Capital Projects
2. Primary Class Size Capital Wrap-up Process
3. New Capital Liquidity Template
4. Updated School Facilities Inventory System (SFIS)
5. Ontario Regulation 444/98 "Disposition of Surplus Real Property"
6. Demolition of a School Facility - Reminder
7. Ministry of Energy and Infrastructure "Revitalizing Ontario's Infrastructure" Public Website
8. Energy Efficiency and Renewable Energy Program
9. Contact

1. New Accountability Measures for Capital Projects

As announced in **Memorandum 2009 : SB32**, as of November 1, 2009, new accountability measures will apply for all new capital projects. As you are aware, since June 12, 2006, the Ministry has required school boards to obtain a transfer from reserves approval from the Minister before undertaking any new major capital projects. This approval point was put in place as an accountability measure to ensure that school boards have sufficient financial capacity to undertake any new capital projects. In addition, a number of other good practices have been identified by the Expert Panel and others that school boards should follow as part of the process to plan and construct new capital projects.

As a result, the Ministry has modified the current process as shown in Appendix A. We encourage school boards to contact their Capital Analyst for more details on these new accountability measures.

2. Primary Class Size Capital Wrap-up Process

As announced in **Memorandum 2009 : B9**, the Ministry is planning to wrap-up and report on the Primary Class Size (PCS) capital program. Consequently, the Ministry has been working with boards to confirm:

- PCS related capital projects and expenditures that have been completed and entered into the SFIS system and/or reported in EFIS
- PCS capital expenditures that need to be long term financed in the upcoming OFA debenture issue
- PCS capital projects planned by the school board including expected timing and amount of PCS capital to be used

This process is expected to be concluded by the end of January and final decisions will be communicated to school boards at that time.

3. New Capital Liquidity Template

Since it was announced in **Memorandum 2007 : SB01**, the Capital Liquidity Template has been used by the Ministry of Education and updated and validated jointly by the boards and the Ministry. This template provides a consistent format for reviewing a board's existing and proposed capital-related financial position. It provides a depiction of each board's current financial position, with respect to capital projects the board has undertaken as well as the board's capacity to take on new capital debt for planned projects. As such, it is an important tool in the analysis and approval of new transfers from Capital Reserves.

In early 2010, we will be releasing a new version of the template to all school boards, along with a user manual. This template will be preloaded with each board's current approved Capital Liquidity Template data. The pre-loaded data will be reviewed by your school board's Capital Analyst and Financial Officer to ensure completeness and accuracy and make any necessary changes. It will then be sent to your board for review. The Ministry anticipates that the transition from the current template to the newer version will be seamless and will require minimal efforts.

Enrolment Projections

Until further notice, the Ministry will not be accepting revised enrolment projections from school boards for the purposes of updating the Capital Liquidity Template due to an evaluation of the on-going status of the New Pupil Places (NPP) funding model that is currently underway. As part of this evaluation the Ministry needs to freeze the changes that are happening with future NPP revenue projections, which

are directly impacted by changing enrolment projections. This means for the time being any new transfer from reserve approvals for projects requiring funding from a board's NPP grant will be based on the existing enrolment projections that the schools board has provided within the most recent version of their Capital Liquidity Template.

4. Updated School Facilities Inventory System (SFIS)

Since 2008, the Ministry has been working on revamping SFIS. Although the conceptualization of SFIS 2.0 is still underway, the Ministry in conjunction with a working group (composed of representative of six school boards and three different committees of the Ontario Association of School Business Officials (OASBO)), has been working on establishing a vision and detailed needs and requirements for the future application.

As the first step in the implementation of SFIS 2.0, the Ministry launched a new version of SFIS on November 23, 2009. The following new technological and business features were included in this new version of SFIS:

- A higher security protocol by using the latest available technologies (each page protected by an encrypted token)
- A new system design layout increasing the user working area and improving navigation
- A number of functional system enhancements such as:
 - Facility related enhancements including:
 - searching capabilities, custom queries, filtering of facility data, default views
 - Sorting and paging capabilities for the facility dataset elements which allows the user to sort by facility grid columns and to specify how many records the user wants to view per page
 - Export to Excel capabilities for the facility datasets with user defined search criteria or sorting applied (including the custom queries results, favorite searches or default view)
 - Add/update facility (new layout tabs based)
 - Real-time loading capacity changes when the space type is changed
 - New Excel export capabilities at the Rooms, Permanent Space and Non-Permanent Space levels (facility and board levels)
- Data input validation
 - Validate all user input for correctness and clearly specify in a message what is wrong and how it should be corrected
- Retire the Capital Plan "Facility" section – add the GIS integration related functionality in SFIS "Facilities"
- Online User Guide in PDF format

By introducing these improvements to SFIS, the Ministry is offering a high quality application with an improved user experience. These changes to SFIS will result in

a better understanding of its functionalities and of its potential. To help the users, a User Manual is available online at: <http://tpfr.edu.gov.on.ca/CapitalPrograms.htm> as well as in the “What’s New” section sorted by date.

SFIS is a dynamic system and relies on timely and accurate data. Below, is an outline of timelines to follow when updating SFIS:

Sections	Timelines for updating
Facility Details:	Ongoing
Room Details/Summary:	Ongoing, however Fall would reflect entire school year
Permanent GFA/Age:	
Non-Permanent GFA/Age:	
Funded Projects:	Ongoing, should be in-line with the information approved under the Capital Liquidity Template
Enrolment Projections:	At least once a year – End of February
Capital Plan:	When requested by the Ministry

Although not exhaustive, these sections are the core of SFIS and should be maintained accurately and recurrently.

5. Ontario Regulation 444/98 “Disposition of Surplus Real Property”

When a property or a portion of a property is declared surplus to the needs of the school board and it is circulated either for sale or for lease, Ontario regulation 444/98 must be followed.

After a circulation process is completed (90 days), if the school board receive no offers, and decides to dispose of the property or lease it on the private market, an approval from the Minister is required. To request such an approval, please provide by email a copy of the letters to and the responses received from each agency to which the surplus property was circulated to your Capital Analyst.

Please allow approximately 3 weeks to process these requests.

6. Demolition of a School Facility – Reminder

If the board decides to demolish a facility, even when a school board has a funding allocation to rebuild a school, an approval from the Minister is required under subsection 194(4) of the Education Act. To request such an approval, please provide the following information by email to your Capital Analyst:

- SFIS ID and name of the school facility to be demolished or partially demolished
- Project scope and explanation to why it is being demolished
- The age and size of the portion to be demolished
- Costs and sources of revenue to cover this demolition

Please allow approximately 3 weeks to process these requests.

7. Ministry of Energy and Infrastructure “Revitalizing Ontario’s Infrastructure” Public Website

The Ministry of Energy and Infrastructure (MEI) has launched the “Revitalizing Ontario’s Infrastructure” website. This website will help all Ontarians to find out more about infrastructure projects in their community and sustainable energy generation projects for Ontario's future. Currently, the projects featured on the website are projects that received federal-provincial stimulus funding. More information about the progress of the province’s infrastructure spending will be added over the coming months. The website can be found at: <http://www.infrastructureapp.mei.gov.on.ca/en/>.

In the coming months, the Ministry will provide you with additional details in regards to what information will be posted on MEI’s “Revitalizing Ontario’s Infrastructure” website as well as what method will be used to update, on a quarterly basis, the information presented in this website. Most likely, the basic information for this website will come from your board’s Capital Liquidity Template and SFIS. We encourage all school boards to keep these two tools updated as some of the information they capture will be made public.

8. Energy Efficiency and Renewable Energy Program

Energy Efficiency

Boards have been flowed their allocations for Energy Efficiency Funding for the 2009-10 year for Operational Efficiency and Renewal of Major Building Components. Boards are reminded that they will **not** receive the 2010-11 allocations unless they meet the following reporting requirements:

- To complete the form attached to **2009 : SB19** as Appendix A about the use of the Operational Efficiency (small equipment) by **January 31, 2010** and submit it to bsb.gpl@ontario.ca
- To identify in ReCAPP Energy Efficiency projects that are approved, active or complete for the entire amount of their 2009-10 funding allocation for Operational Efficiency and Renewal of Major Building Components
- To identify in ReCAPP the completion of projects whose costs represent at least 70% of the board’s 2009-10 allocation

The latest that school boards can 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. Boards should inform us by email at bsb.gpl@ontario.ca when these reporting requirements are met.

Renewable Energy

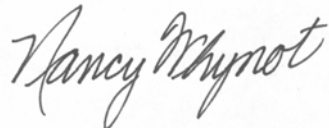
In response to **SB Memo 2009: SB 31** entitled “Renewable Energy Funding for Schools”, school boards applied for \$50M in funding available for solar, geothermal and wind projects. Under this program, school boards that submitted urgent projects by the early deadline of September 15, 2009 have received a response to their proposals. Proposals received conditional approval, were declined, or a decision was deferred.

The Ministry is currently reviewing deferred proposals and those that were submitted by the October 31, 2009 deadline. The procurement process is still being developed by the government, but the government will be pre-qualifying vendors. Boards should be aware that if they submit a proposal that is designed with a specific product in mind, they will not be able to acquire that product if it is not from a qualified vendor. We will keep boards informed about the procurement process. Please be reminded that funding for this program will not flow until April 2010 at the earliest.

9. Contact

Please contact the Ministry’s capital analyst for your board (Appendix B) if you have any questions.

Sincerely,



Nancy Whynot
Director
Capital Programs Branch

APPENDIX A – New Accountability Measures Summary

Pre-Design phase (before an architect is engaged):

- A) Requiring the completion of a Facility space template as the first approval point for new schools and major additions or retrofits that cost more than 50 per cent of the value of the existing school.

Material to be submitted: Facility Space Template in Microsoft Excel Format – This template can be downloaded at: <http://tpfr.edu.gov.on.ca/CapitalPrograms.htm>

Method of submission: By email directly to your school board Capital Analyst and their manager

Ministry Turn-Around: approximately 4 weeks if the submitted package is complete

- B) Requiring the appointment of a Project Manager (either internal staff or external resource) for each capital project whose responsibilities will include monitoring the budget and project timelines, ensuring processes are in place for issue such as change orders and other internal approvals, and serve as a point of contact between the school board and the Ministry of Education.

Material to be submitted: Name and contact information

Method of submission: By email directly to your school board Capital Analyst and their manager

Ministry Turn-Around: N/A

Pre-Tender phase:

- A) Requiring that an Independent Cost Consultant be retained by the board to review the design, provide objective costing analysis and advice, and report to the school board on options to ensure that the proposed capital expenditure is within the approved budget, prior to tendering a project.

Material to be submitted: Letter from a senior board official confirming that the project estimate by the cost consultant is within the approved budget. This email should include the executive summary in PDF format.

Method of submission: By email directly to your school board Capital Analyst and their manager

Ministry Turn-Around: N/A

- B) Requiring that school boards continue to obtain transfer from reserves approval from the Minister prior to tendering a new school, addition or major retrofit.

Material to be submitted: A transfer from reserves request

Method of submission: By email directly to your school board Capital Analyst and their manager

Ministry Turn-Around: approximately 4 weeks if the submitted package is complete

Post-tender Phase:

- A) Requiring that school boards continue to insure that tendered amounts are consistent with pre-tender transfer from reserves approval, and, if the tendered amounts surpass the approved amount, requiring that the school board identify a source of funding to offset the higher costs and obtain an additional transfer from reserves approval for the higher amount before a contract can be awarded.

Material to be submitted: An additional transfer from reserves request (if needed)

Method of submission: By email directly to your school board Capital Analyst and their manager

Ministry Turn-Around: 4 to 6 weeks

APPENDIX B – Capital Analyst Per School Board

School Board	Analyst	Telephone	Email
Algoma DSB	Daniel Castaldo	416-325-2022	Daniel.Castaldo@ontario.ca
Algonquin and Lakeshore CDSB	Hemwanti Dobbs	416-326-9445	Hemwanti.Dobbs@ontario.ca
Avon Maitland DSB	Michael Wasylyk	416-326-9924	Michael.Wasylyk@ontario.ca
Bluewater DSB	Mersad Fard	416-325-2018	Mersad.Fard@ontario.ca
Brant Haldimand Norfolk CDSB	Michael Wasylyk	416-326-9924	Michael.Wasylyk@ontario.ca
Bruce-Grey CDSB	Mersad Fard	416-325-2018	Mersad.Fard@ontario.ca
CDSB of Eastern Ontario	Cameron Whitehead	416-325-4297	Cameron.Whitehead@ontario.ca
CÉCLF du Centre-Est	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CÉP de l'Est de l'Ontario	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSC du Nouvel-Ontario	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSC Franco-Nord	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSCD des Grandes-Rivières	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSD du Centre-Sud-Ouest	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSDC Centre-Sud	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSDC de l'Est Ontarien	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSDC des Aurores boréales	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSDÉC du Sud-Ouest	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSP du Grand Nord de l'Ontario	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
CSP du Nord-Est de l'Ontario	Alexandre Beaudin	416-212-4818	Alexandre.Beaudin@ontario.ca
DSB of Niagara	Patrizia Del Riccio	416-326-9667	Patrizia.DelRiccio@ontario.ca
DSB Ontario North East	Daniel Castaldo	416-325-2022	Daniel.Castaldo@ontario.ca
Dufferin-Peel CDSB	Diamond Tsui	416-325-2017	Diamond.Tsui@ontario.ca
Durham CDSB	Hemwanti Dobbs	416-326-9445	Hemwanti.Dobbs@ontario.ca
Durham DSB	Hemwanti Dobbs	416-326-9445	Hemwanti.Dobbs@ontario.ca
Grand Erie DSB	Michael Wasylyk	416-326-9924	Michael.Wasylyk@ontario.ca
Greater Essex DSB	Diamond Tsui	416-325-2017	Diamond.Tsui@ontario.ca
Halton CDSB	Mersad Fard	416-325-2018	Mersad.Fard@ontario.ca
Halton DSB	Mersad Fard	416-325-2018	Mersad.Fard@ontario.ca
Hamilton-Wentworth CDSB	Patrizia Del Riccio	416-326-9667	Patrizia.DelRiccio@ontario.ca
Hamilton-Wentworth DSB	Patrizia Del Riccio	416-326-9667	Patrizia.DelRiccio@ontario.ca
Hastings and Prince Edward DSB	Hemwanti Dobbs	416-326-9445	Hemwanti.Dobbs@ontario.ca
Huron-Perth CDSB	Michael Wasylyk	416-326-9924	Michael.Wasylyk@ontario.ca
Huron-Superior CDSB	Daniel Castaldo	416-325-2022	Daniel.Castaldo@ontario.ca
Kawartha Pine Ridge DSB	Hemwanti Dobbs	416-326-9445	Hemwanti.Dobbs@ontario.ca
Keewatin-Patricia DBS	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Kenora CDSB	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Lakehead DSB	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Lambton Kent DSB	Diamond Tsui	416-325-2017	Diamond.Tsui@ontario.ca
Limestone DSB	Hemwanti Dobbs	416-326-9445	Hemwanti.Dobbs@ontario.ca
London DCSB	Michael Wasylyk	416-326-9924	Michael.Wasylyk@ontario.ca
Near North DSB	Daniel Castaldo	416-325-2022	Daniel.Castaldo@ontario.ca
Niagara CDSB	Patrizia Del Riccio	416-326-9667	Patrizia.DelRiccio@ontario.ca
Nipissing Parry Sound CDSB	Daniel Castaldo	416-325-2022	Daniel.Castaldo@ontario.ca
Northeastern CDSB	Daniel Castaldo	416-325-2022	Daniel.Castaldo@ontario.ca
Northwest CDSB	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Ottawa CSB	Cameron Whitehead	416-325-4297	Cameron.Whitehead@ontario.ca
Ottawa-Carleton DSB	Cameron Whitehead	416-325-4297	Cameron.Whitehead@ontario.ca

School Board	Analyst	Telephone	Email
Peel DSB	Diamond Tsui	416-325-2017	Diamond.Tsui@ontario.ca
Peterborough VNCCDSB	Hemwanti Dobbs	416-326-9445	Hemwanti.Dobbs@ontario.ca
Rainbow DSB	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Rainy River DSB	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Renfrew County CDSB	Cameron Whitehead	416-325-4297	Cameron.Whitehead@ontario.ca
Renfrew County DSB	Cameron Whitehead	416-325-4297	Cameron.Whitehead@ontario.ca
Simcoe County DSB	Paul Bloye	416-325-8589	Paul.Bloye@ontario.ca
Simcoe Muskoka CDSB	Paul Bloye	416-325-8589	Paul.Bloye@ontario.ca
St. Clair CDBS	Diamond Tsui	416-325-2017	Diamond.Tsui@ontario.ca
Sudbury CDSB	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Superior North	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Superior-Greenstone DSB	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Thames Valley DSB	Michael Wasyluk	416-326-9924	Michael.Wasyluk@ontario.ca
Thunder Bay CDSB	Catherine Morris	416-326-9932	Catherine.Morris@ontario.ca
Toronto CDSB	Sarosh Yousuf	416-325-9796	Sarosh.Yousuf@ontario.ca
Toronto DSB	Sarosh Yousuf	416-325-9796	Sarosh.Yousuf@ontario.ca
Trillium Lakeland DSB	Hemwanti Dobbs	416-326-9445	Hemwanti.Dobbs@ontario.ca
Upper Canada DSB	Cameron Whitehead	416-325-4297	Cameron.Whitehead@ontario.ca
Upper Grand	Mersad Fard	416-325-2018	Mersad.Fard@ontario.ca
Waterloo CDSB	Patrizia Del Riccio	416-326-9667	Patrizia.DelRiccio@ontario.ca
Waterloo Region DSB	Patrizia Del Riccio	416-326-9667	Patrizia.DelRiccio@ontario.ca
Wellington CDSB	Mersad Fard	416-325-2018	Mersad.Fard@ontario.ca
Windsor-Essex CDSB	Diamond Tsui	416-325-2017	Diamond.Tsui@ontario.ca
York CDSB	Paul Bloye	416-325-8589	Paul.Bloye@ontario.ca
York Region DSB	Paul Bloye	416-325-8589	Paul.Bloye@ontario.ca

Please note, that we have reassigned some school boards to different analyst to reflect the addition of new staff members. Over the next few months, we will be transitioning these school boards from their current capital analyst to their new analyst.