



**2008:B12**

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

**FROM:** Nancy Naylor  
Assistant Deputy Minister

**DATE:** August 20, 2008

**SUBJECT:** \$500M in New Capital Funding Available for 2008-09

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Further to Memorandum **2008: B2**, I am pleased to provide more information on the new capital funding available to school boards for 2008-09 and on the capital related initiatives being planned for the upcoming school year.

### **New Funding Available to School Boards**

Both the 2008 Ontario Budget and the 2008-09 Grants for Student Needs (GSN) announcements highlighted the new \$750M capital and renewal funding available for Ontario school boards.

In 2008-09, the Ministry of Education will release an additional \$250M to continue to support Good Places to Learn (GPL) renewal projects. This funding will be allocated as GPL Stage 4.

In addition, \$500M in new capital funding will be available to school boards. This funding will support:

- (a) top-up funding for boards to build additional spaces in new elementary schools to accommodate the future implementation of a program for full day learning for four- and five-year olds;
- (b) a capital funding benchmark increase of 7 per cent to reflect higher construction costs including the implementation of green standards;
- (c) pilot projects to evaluate new construction technologies that support additional green building practices; and
- (d) Priority Capital Projects identified by school boards, in keeping with the objectives of the existing Prohibitive-to-Repair (PTR) and Growth Schools programs.

## Good Places to Learn (GPL) Stage 4

In 2008-09, GPL Stage 4 will provide school boards with allocations to support a further \$250M in improvements to their school facilities. These improvements must address urgent and high renewal needs or improvements to inadequate specialized spaces not addressed with Stage 1, Stage 2 or Stage 3 allocations. Similar to prior GPL allocations, the GPL Stage 4 allocation will be based on the total 5-year high and urgent renewal needs and program needs from the ReCAPP database for all eligible Stage 4 facilities. All inspected facilities, open with enrolment in 2008-09, and offering a regular day school program as of Estimates 2008-2009, will be eligible for GPL Stage 4 funding.

The Ministry will continue to take Prohibitive-to-Repair funding approvals issued to date into consideration in developing the GPL Stage 4 allocations.

The Ministry expects to announce the GPL Stage 4 allocations by October 2008.

## **2008-09 Capital Programs**

### a) Funding for Full Day Learning for Four- and Five-Year Olds (FD45)

The government has made a commitment to support Full Day Learning for Four- and Five-Year Olds. Dr. Charles Pascal was appointed as the Early Learning Advisor to recommend the best way to implement this initiative and is expected to report back to the government by early spring.

While Dr. Pascal undertakes his review, the Ministry will, in support of this initiative, provide funding for additional space in new elementary schools approved as part of the 2008-09 capital program. This funding is intended to recognize the need for space for full day programming for four- and five- year old children, but does not recognize or endorse a particular model of programming. Capital approvals for new elementary schools will be based on additional space requirements for full-day enrolment for four- and- five year olds projected by doubling the current half-day junior kindergarten (JK) / senior kindergarten (SK) enrolment and funded based on Ministry capital benchmarks.

The Ministry will also provide adjustments for recently approved projects under the Growth Schools and the Prohibitive-to-Repair capital programs. The Ministry will work with boards to confirm the appropriate adjustments to approved projects and will issue amended letters of approval. Projects not tendered by September 1, 2007 will be eligible for these adjustments.

The Ministry will review projects approved under the French Capital Transitional program although it is anticipated that most elementary school project approvals under this program have provided for adequate full-day space for four- and five year olds through recognition of pupil places beyond projected enrolment.

The Ministry will not be introducing changes to the benchmarks in the New Pupil Places (NPP) grant program, including Enrolment Pressures and 2005 Policy Transitional, at this time. This grant is currently supporting new capital projects in a very limited number of school boards. The Ministry will assume that capital projects supported through the NPP grant will likely be completed at the higher benchmark per pupil cost and may include space for full day programming for four- and five-year olds at a board's discretion. These changes may require a higher proportion of the board's remaining NPP revenue. The Ministry will review transfers from reserve approvals for these boards, including recently issued approvals, to assess whether any adjustments are required or whether some NPP projects need to be considered for Growth Schools funding.

Please note that amended funding approvals will be subject to Lieutenant Governor in Council (LGIC) approval in future updates to the GSN regulations.

b) Increased Capital Funding Benchmarks

The Ministry will increase the capital funding benchmarks by 7 per cent to reflect higher construction costs and to recognize the costs of providing energy efficiency or other green school features in new schools and additions.

The 7 per cent increase includes:

- 4 per cent basic benchmark increase; and
- 3 per cent benchmark increase to support the inclusion of energy efficiency and/or green building elements.

Boards are advised that the 2006 Ontario Building Code has established standards for energy efficiency that will be required to obtain a non-residential building permit after December 31, 2011. Non-residential buildings will be required to meet or exceed energy efficiency standards 25 per cent higher than those attained by conforming to the Model National Energy Code for Buildings. Boards are encouraged to work with their architects to meet this standard on schools that are being designed at this time. However, this adjustment will be provided on all new school projects approved as part of the 2008-09 Capital Program as well as prior capital approvals as outlined below in recognition of the extent to which boards have been moving toward higher energy efficiency in school design.

This 7 per cent increase will be applied to projects approved as part of the 2008-09 Capital Program as well as prior capital approvals, specifically projects not tendered by September 1, 2007, and funded through the Prohibitive-to-Repair, Growth Schools, and French Capital Transitional programs.

The increase will not be applied to projects funded by boards from available New Pupil Places (NPP). Ministry approvals for boards to use NPP reflect estimated project costs and are not limited to Ministry benchmark costs.

The Ministry will be contacting boards to confirm adjustments to the funding for previously approved projects and will issue amended letters of approval.

Please note that amended funding approvals will be subject to LGIC approval in future updates to the GSN regulations.

c) Pilot Projects to Support Green Building Standards

The Ministry will be allocating \$30M of the capital funding available to support the piloting of new green technologies, design and construction standards. This funding is intended to evaluate the cost, benefit and suitability of new and emerging technologies, design and construction standards for Ontario schools to determine the potential benefit and feasibility of wider application. This funding will be allocated to support top-up grants to approved capital projects where the board is willing to pilot a green building design or construction technique that is currently not available for evaluation in already built Ontario schools. Anticipated examples include projects to incorporate solar or geothermal energy technologies and innovative mechanical systems or materials which demonstrate the potential for positive returns in terms of reduced energy requirements over the life of the school. School boards applying for these grants must be willing to install these technologies and commit to long term monitoring and evaluation of these technologies in order to ensure that this research is available to other Ontario school boards. Top-up grants will be up to a maximum of \$2M per project. A portion of this \$30M allocation will also support the demonstration project being led by the Greater Essex District School Board to build a LEED platinum school, the Dr. David Suzuki Elementary School.

The Ministry is working to establish an Expert Panel ("the Panel") to provide advice on the design and construction of schools, energy efficiency and/or green technologies, as well as best practices in school design and capital project management. The Panel will include representatives from boards with relevant experience in capital projects. The Panel will be informed by advice and feedback from a broader Advisory Group which reflects our broader education stakeholder community. Further information about this initiative will be provided this fall.

The Ministry intends to seek advice from the Expert Panel to identify green design and building technologies of interest for evaluation and to issue a formal call for proposals later this fall. Expressions of interest in this program at this time are welcome and may be directed to Karen Carter of the School Business Support Branch at [karen.carter2@ontario.ca](mailto:karen.carter2@ontario.ca).

The Ministry anticipates that the work of the Expert Panel will include the identification of green building design and construction features that are currently economic, and that the lessons learned from the Suzuki project and the green technologies piloted through the top-up grants will inform both future school capital projects and the industry developing these technologies.

#### d) Priority Capital Projects

The Ministry will also provide funding to support Priority Capital Projects, including Growth Schools in new residential development areas, replacements for Prohibitive-to-Repair facilities, and funding for new facilities to replace one or more schools with high renewal needs.

School boards are asked to review and update their Capital Plans to ensure that current and planned projects, intended to be opened and operating, for the 2009-10, 2010-11 and 2011-12 school years are reflected. Boards are also asked to ensure that their capital plans reflect up-to-date enrolment projections for all schools.

A template will be added to the Capital Plan module in the School Facilities Inventory System (SFIS) for boards to submit their business cases outlining their top capital priorities for funding consideration. These should reflect the board's capital priorities which need to be completed no later than the 2011-12 school year. Boards are asked to update their capital plans and submit their business cases by October 31, 2008.

The Capital Programs Branch has identified analysts who are available to work with boards on the update of their capital plans and the preparation of their business cases. A list of analysts and their portfolio of assigned boards is attached to this memorandum.

### **Current Capital Programs**

#### Growth Schools

Boards are advised that the Ministry has remaining funds in the Growth Schools capital program at this time. Growth Schools projects will be funded through this program until the existing \$250M in funding is fully allocated. New Growth School business cases should be submitted using the new template that will be added to the Capital Plan module. The information required for the business cases is outlined in the **2008 SB:12** Memorandum.

#### Prohibitive-to-Repair (PTR)

Boards are advised that the \$700M in PTR capital program introduced in October 2006 is fully allocated at this time, pending the finalization of projects that are still under discussion between the board and the Ministry or are pending announcement dates. For this reason, boards should submit new business cases for priority replacement schools for PTR facilities, both those previously submitted and potential new projects, as part of the new Priority Capital Projects noted above.

## Approvals

Funding provided through the Priority Capital Projects will be allocated to school boards on a project approval basis at the new benchmark costs. All project approvals will take into account a board's capacity to take on new capital projects. Where a board has one or more approved projects in development, the Ministry may defer approval for additional projects at this time, subject to the priority of the project and the needs of students to ensure that approved projects can be completed on schedule. The Ministry will typically expect elementary school projects to be complete, that is, open and operating, within two years of approval and secondary schools to be complete within three years of approval. These timelines may be up to a year longer where a project is contingent on a board completing a Pupil Accommodation Review Process.

Boards are asked to submit their business cases to the Ministry no later than October 31, 2008. Earlier submissions are welcomed.

### Ministry Contact

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

Nancy Whynot, Director, Capital Programs Branch at 416-325-4030 or at [nancy.whynot@ontario.ca](mailto:nancy.whynot@ontario.ca)

Grant Osborn, Manager, Capital Programs Branch at 416-325-6268 or at [grant.osborn@ontario.ca](mailto:grant.osborn@ontario.ca)

We look forward to working with you on these important projects and to supporting school boards in furthering their capital priorities.

Sincerely,

Nancy Naylor  
Assistant Deputy Minister  
Business and Finance Division

Copy: Superintendents of Business and Finance

## List of Capital Analysts

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Conseil scolaire catholique de district des Grandes Rivières  
Conseil scolaire catholique du Nouvel-Ontario  
Conseil scolaire catholique Franco-Nord  
Conseil scolaire de district catholique de l'Est ontarien  
Conseil scolaire de district catholique des Aurores boréales  
Conseil scolaire de district des écoles catholiques du Sud-Ouest  
Conseil scolaire public du Grand Nord de l'Ontario  
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Rainy River District School Board  
Superior-Greenstone District School Board  
Superior North Catholic District School Board  
Toronto District School Board  
York Region District School Board  
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District School Board Ontario North East  
Huron-Superior Catholic District School Board  
Lakehead District School Board  
Near North District School Board  
Nipissing-Parry Sound Catholic District School Board  
Northeastern Catholic District School Board  
Rainbow District School Board  
Sudbury Catholic District School Board  
Thunder Bay Catholic District School Board  
Upper Grand District School Board  
Wellington Catholic District School Board

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Eastern Ontario Catholic District School Board  
Hasting and Prince Edward District School Board  
Limestone District School Board  
Niagara Catholic District School Board  
Renfrew County Catholic District School Board  
Renfrew County District School Board  
Upper Canada District School Board

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Avon Maitland District School Board  
Bluewater District School Board  
Bruce-Grey Catholic District School Board  
Huron Perth Catholic District School Board  
Ottawa Carleton District School Board  
Ottawa Catholic District School Board  
Simcoe District School Board  
Simcoe Muskoka Catholic District School Board



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Durham Catholic District School Board

Durham District School Board

Kawartha Pine Ridge District School Board

London Catholic District School Board

Peterborough Victoria Northumberland and Clarington Catholic District School Board

Thames Valley District School Board

Trillium Lakelands District School Board

Waterloo Catholic District School Board

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Lambton Kent District School Board

Peel District School Board

St. Clair Catholic District School Board

Windsor-Essex Catholic District School Board