

Ministry of Education

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2016: B13

MEMORANDUM TO: Directors of Education
Superintendents of Business

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

DATE: **July 12, 2016**

SUBJECT: **New Renewal Funding to Keep Schools in a State of
Good Repair**

A key component of the Ministry of Education's Achieving Excellence vision is the provision of safe and healthy learning environments to support student achievement and well-being. Today, in support of our vision, I am pleased to inform you that the Ministry is making a historic, multi-year investment in education infrastructure to keep schools across Ontario in a state of good repair.

The Ministry is committing an additional \$1.1 billion in renewal funding to school boards for the 2015-16 and 2016-17 school years to keep schools in a state of good repair. This additional funding responds to both the identified school renewal backlog identified through the Ministry's Condition Assessment Program and the ongoing need to conduct regular repairs and maintenance in schools. The announcement of this funding at this time is intended to allow boards the opportunity to supplement their existing school renewal activities this summer and address critical building needs that may otherwise have been deferred.

Please note that the approval of the Lieutenant Governor in Council is required to make in-year amendments to the Grants for Student Needs regulation for the 2015-16 and 2016-17 school years. We expect to have these amendments made by this summer, and will inform boards when they have been approved.

New Annual Renewal Investment to Keep Schools in a Good State of Repair

The Ministry's investment in additional, multi-year school renewal funding, starting in the current 2015-16 school year, will supplement the Ministry's existing funding programs – School Condition Improvement (SCI) funding and the School Renewal Allocation (SRA). The Ministry is committing the following total additional investments in school renewal funding for school boards for the 2015-16 and 2016-17 school years:

School Year	School Condition Improvement	School Renewal Allocation	Total Additional Investment in School Renewal
2015-16	\$460 million	\$40 million	\$500 million
2016-17	\$535 million	\$40 million	\$575 million

The funding increases to both SCI and SRA recognize the importance of undertaking major building and site renewal work, as well as repairs and maintenance issues that are more aesthetic in nature or that do not meet the threshold for capitalization.

Appendix A provides the revised 2015-16 and 2016-17 SCI allocations for each board.

Appendix B provides the tabled amounts for the increased SRA funding for each board for 2015-16 and 2016-17.

The Ministry is aware that with the timing of this announcement occurring at this time in the current school year, boards may not have sufficient opportunity to spend the additional 2015-16 funding by August 31, 2016. Please note that school boards will be able to carry over any unspent funding to the following school year.

As usual, the Ministry expects that school boards will spend their SCI and SRA funds on schools that need to remain open. For schools that are scheduled to be closed or are planned to be part of an upcoming accommodation review, renewal funds should only be used to address renewal needs that could compromise the continuing operation of these schools in the short-term.

1. Increased School Condition Improvement Funding

In 2011, the Ministry began a five year inspection of the condition and renewal needs of eligible schools across the province through the Condition Assessment Program. In 2014, the Ministry was able to use the data collected from the first three years of facility inspections to support an increase in SCI funding to boards by \$1.25 billion over three years, starting in the 2014-15 school year.

In 2015, the Ministry completed the first full cycle of school inspections. The results of the full province-wide assessment identified an aggregate school renewal backlog across the province of almost \$16 billion and an average Facility Condition Index (FCI) of 29%.

The Ministry's analysis of the identified renewal needs has shown that in many cases, the renewal backlog consists of high priority needs to major building components and systems, such as roofs, boilers, HVAC, plumbing, electrical, and windows. Addressing the renewal needs associated with these major building components is critical to ensuring that the structural integrity of school buildings is preserved so that schools can remain safe and healthy. These assessments also identified the poor condition of non-critical components of a school building, such as carpets, tiles, and pavement. While these components are non-critical to the operation of the school, they are a visible sign of a school's deterioration and have a negative impact on students, staff, and the community when not adequately maintained over time.

The Ministry is substantially increasing province-wide annual SCI funding, as noted above. This additional funding will ensure that school boards can continue to invest in major building and site renewal needs that are depreciable in nature. The Ministry is allocating this additional funding for both the 2015-16 and 2016-17 school years using the same methodology as that used for the original 2016-17 SCI funding allocations announced in memorandum **2016:SB9**, *2016-17 School Condition Improvement Funding*, dated April 1, 2016.

The Ministry is also amending the existing "80/20" requirement, introduced for the 2015-16 school year, on how SCI funding is spent on major building systems and components (80 percent) and building interiors and site components (20 percent). The Ministry is amending this requirement so that at least 70 percent of SCI funding is to be spent on major building systems and components and at most 30 percent on building interiors, site components, and other components considered non-critical. However, even with the new "70/30" requirement, boards will still have discretion to spend up to 100 percent of all SCI funding on major building systems and components.

Any unspent SCI funding from one school year may be carried over to the following year. School boards are reminded that they must fully draw down any unspent SCI funding from prior years before they can access any new SCI funding amounts. Also, the Ministry expects boards to use SCI funding in schools that are expected to remain open and operating for at least five years.

2. Reporting of School Condition Improvement Expenditures

School boards are reminded that all SCI-funded expenditures must be depreciable in nature, and must be reported in VFA.facility (formerly TCPS). This includes the additional investments in SCI being announced in this memorandum.

Please see memoranda **2016:SB9** and **2015:SB37**, *Reporting Renewal Expenditures and an Update on the School Condition Assessment Program*, dated December 18, 2015.

3. Increased Funding for the School Renewal Allocation

The Ministry is also increasing funding for the School Renewal Allocation (SRA) to help school boards tackle ongoing repairs and maintenance in school buildings that are more aesthetic in nature or that do not meet the threshold for capitalization. The Ministry is

targeting additional SRA funding to boards to allow them to undertake work to noticeably improve the visible appearance of a school, both inside and outside.

The Ministry is providing school boards with additional SRA funding, starting in the 2015-16 school year, as noted above. Please note that for both the 2015-16 and 2016-17 school years, the Ministry will allocate the additional SRA funding through a table amount in the Grants for Student Needs regulation, while the base SRA amounts for each of these years will continue to be allocated using the existing per-pupil benchmark formula basis.

4. Reporting of School Renewal Allocation Expenditures

As noted in memorandum **2015:SB37**, all capital expenditures funded by the School Renewal Allocation must be reported in VFA.facility beginning in the 2016-17 school year. This includes the additional SRA investments being announced in this memorandum.

5. Signage

School boards will be required to display signage that identifies the support of the Government of Ontario at the site of all school renewal construction work with a value of at least \$100,000. Signage will be provided to school boards by the Ministry of Education. School boards are then responsible for posting the signage for the projects in a prominent location. This should be done in a timely manner following the receipt of the signage. All signage production costs are covered by the Ministry of Education, including the cost of distributing the signage to school boards.

The Ministry looks forward to working in partnership with school boards as we invest in keeping our schools in a state of good repair. Improving learning environments is one of the best infrastructure investments we can make.

If you have questions or require additional information, please contact Mathew Thomas, Manager, Capital Policy and Programs Branch, at (416) 326-9920 or Mathew.P.Thomas@ontario.ca or Hitesh Chopra, Team Lead, Policy, Capital Policy and Programs Branch, at (416) 325-1887 or Hitesh.Chopra@ontario.ca.

Original signed by:

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

cc: Superintendents and Managers of Facilities

Appendix A: Revised School Condition Improvement Allocation

DSB ID	District School Board Name	2015-16 Revised Allocation	2016-17 Revised Allocation
1	DSB Ontario North East	8,600,261	9,473,500
2	Algoma DSB	10,410,216	11,217,806
3	Rainbow DSB	10,158,880	11,027,532
4	Near North DSB	9,345,963	10,437,209
5.1	Keewatin-Patricia DSB	8,104,307	8,939,295
5.2	Rainy River DSB	4,247,367	4,741,335
6.1	Lakehead DSB	9,344,554	10,251,489
6.2	Superior-Greenstone DSB	4,933,340	5,369,725
7	Bluewater DSB	9,924,480	10,845,061
8	Avon Maitland DSB	9,024,355	9,882,594
9	Greater Essex County DSB	24,280,108	26,127,664
10	Lambton Kent DSB	15,663,352	16,652,032
11	Thames Valley DSB	45,181,050	48,855,353
12	Toronto DSB	225,780,292	255,899,527
13	Durham DSB	24,126,194	26,494,178
14	Kawartha Pine Ridge DSB	13,543,795	11,103,211
15	Trillium Lakelands DSB	8,271,255	8,438,541
16	York Region DSB	21,178,934	22,079,407
17	Simcoe County DSB	13,345,613	13,756,309
18	Upper Grand DSB	8,127,536	7,990,138
19	Peel DSB	61,480,153	66,908,093
20	Halton DSB	16,599,969	17,462,127
21	Hamilton-Wentworth DSB	22,059,047	23,171,890
22	DSB of Niagara	17,826,201	15,240,913
23	Grand Erie DSB	12,700,804	13,166,152
24	Waterloo Region DSB	16,568,602	16,232,360
25	Ottawa-Carleton DSB	49,478,375	54,499,312
26	Upper Canada DSB	21,374,673	23,728,679
27	Limestone DSB	13,094,741	14,493,643
28	Renfrew County DSB	6,159,758	6,732,137
29	Hastings and Prince Edward DSB	12,794,549	13,842,856
30.1	Northeastern Catholic DSB	2,719,411	2,635,669
30.2	Nipissing-Parry Sound Catholic DSB	1,747,362	1,966,086
31	Huron-Superior Catholic DSB	3,187,208	2,820,354
32	Sudbury Catholic DSB	3,673,260	3,644,815
33.1	Northwest Catholic DSB	1,138,425	1,248,914
33.2	Kenora Catholic DSB	1,186,775	1,301,906
34.1	Thunder Bay Catholic DSB	5,432,772	5,960,047
34.2	Superior North Catholic DSB	2,042,253	2,240,464
35	Bruce-Grey Catholic DSB	613,743	673,309
36	Huron-Perth Catholic DSB	477,543	507,999
37	Windsor-Essex Catholic DSB	7,306,220	7,870,575
38	London District Catholic School Board	5,743,422	5,370,512

DSB ID	District School Board Name	2015-16 Revised Allocation	2016-17 Revised Allocation
39	St. Clair Catholic DSB	3,233,455	3,232,202
40	Toronto Catholic DSB	34,907,253	37,725,647
41	Peterborough V N C Catholic DSB	2,850,156	2,779,492
42	York Catholic DSB	13,592,065	14,628,131
43	Dufferin-Peel Catholic DSB	13,343,442	14,094,278
44	Simcoe Muskoka Catholic DSB	2,161,565	2,372,096
45	Durham Catholic DSB	4,506,060	4,926,579
46	Halton Catholic DSB	4,571,026	4,592,812
47	Hamilton-Wentworth Catholic DSB	7,357,702	8,083,619
48	Wellington Catholic DSB	959,885	1,001,238
49	Waterloo Catholic DSB	8,126,456	8,746,330
50	Niagara Catholic DSB	9,220,160	9,765,991
51	Brant Haldimand Norfolk Catholic DSB	2,672,411	2,665,228
52	Catholic DSB of Eastern Ontario	3,872,061	3,716,250
53	Ottawa Catholic DSB	14,649,920	16,238,819
54	Renfrew County Catholic DSB	3,588,372	3,900,460
55	Algonquin and Lakeshore Catholic DSB	5,624,185	5,531,827
56	CSD du Nord-Est de l'Ontario	658,030	589,143
57	CSD du Grand Nord de l'Ontario	3,407,836	3,762,846
58	CS Viamonde	8,336,191	9,134,682
59	CÉP de l'Est de l'Ontario	4,028,056	4,197,505
60.1	CSD catholique des Grandes Rivières	9,333,247	10,342,113
60.2	CSD catholique Franco-Nord	3,414,467	3,144,951
61	CSD catholique du Nouvel-Ontario	5,465,349	6,252,187
62	CSD catholique des Aurores boréales	580,862	287,875
63	CS catholique Providence	2,934,069	3,191,754
64	CSD catholique Centre-Sud	5,234,650	5,734,252
65	CSD catholique de l'Est ontarien	5,996,009	6,206,791
66	CSD catholique du Centre-Est de l'Ontario	6,377,942	6,854,184

Appendix B: Additional Investments in School Renewal Allocation, \$40M

DSB ID	District School Board Name	2015-16 Tabled Amount	2016-17 Tabled Amount
1	DSB Ontario North East	376,115	363,704
2	Algoma DSB	300,771	299,996
3	Rainbow DSB	395,074	376,792
4	Near North DSB	286,499	282,964
5.1	Keewatin-Patricia DSB	212,716	213,527
5.2	Rainy River DSB	117,857	121,748
6.1	Lakehead DSB	256,650	242,716
6.2	Superior-Greenstone DSB	133,163	133,113
7	Bluewater DSB	373,146	378,118
8	Avon Maitland DSB	372,134	378,106
9	Greater Essex County DSB	702,724	710,585
10	Lambton Kent DSB	527,437	504,055
11	Thames Valley DSB	1,504,296	1,506,103
12	Toronto DSB	5,755,643	5,632,514
13	Durham DSB	1,199,783	1,230,618
14	Kawartha Pine Ridge DSB	650,974	646,687
15	Trillium Lakelands DSB	389,613	380,148
16	York Region DSB	1,948,517	1,978,298
17	Simcoe County DSB	928,111	944,130
18	Upper Grand DSB	602,768	609,779
19	Peel DSB	2,467,642	2,482,190
20	Halton DSB	1,098,422	1,116,860
21	Hamilton-Wentworth DSB	928,355	898,156
22	DSB of Niagara	765,858	746,884
23	Grand Erie DSB	567,681	560,340
24	Waterloo Region DSB	1,089,937	1,092,645
25	Ottawa-Carleton DSB	1,504,030	1,488,159
26	Upper Canada DSB	675,377	671,031
27	Limestone DSB	454,887	460,354
28	Renfrew County DSB	274,858	276,271
29	Hastings and Prince Edward DSB	373,379	368,234
30.1	Northeastern Catholic DSB	85,548	87,468
30.2	Nipissing-Parry Sound Catholic DSB	80,855	82,134
31	Huron-Superior Catholic DSB	137,443	139,778
32	Sudbury Catholic DSB	148,288	141,419
33.1	Northwest Catholic DSB	45,152	46,156
33.2	Kenora Catholic DSB	36,466	35,837
34.1	Thunder Bay Catholic DSB	185,975	187,269
34.2	Superior North Catholic DSB	53,030	56,778
35	Bruce-Grey Catholic DSB	88,703	91,839
36	Huron-Perth Catholic DSB	82,805	83,787
37	Windsor-Essex Catholic DSB	388,247	385,989

DSB ID	District School Board Name	2015-16 Tabled Amount	2016-17 Tabled Amount
38	London District Catholic School Board	345,218	347,179
39	St. Clair Catholic DSB	169,157	173,310
40	Toronto Catholic DSB	1,756,567	1,768,925
41	Peterborough V N C Catholic DSB	244,066	252,607
42	York Catholic DSB	880,906	891,519
43	Dufferin-Peel Catholic DSB	1,269,489	1,298,867
44	Simcoe Muskoka Catholic DSB	331,134	349,932
45	Durham Catholic DSB	346,925	349,695
46	Halton Catholic DSB	528,288	536,364
47	Hamilton-Wentworth Catholic DSB	504,041	512,899
48	Wellington Catholic DSB	128,872	129,079
49	Waterloo Catholic DSB	364,655	375,103
50	Niagara Catholic DSB	416,204	413,282
51	Brant Haldimand Norfolk Catholic DSB	179,841	180,088
52	Catholic DSB of Eastern Ontario	227,413	232,037
53	Ottawa Catholic DSB	758,972	782,814
54	Renfrew County Catholic DSB	108,366	110,600
55	Algonquin and Lakeshore Catholic DSB	245,549	244,127
56	CSD du Nord-Est de l'Ontario	64,207	66,799
57	CSD du Grand Nord de l'Ontario	121,238	122,778
58	CS Viamonde	263,655	276,188
59	CÉP de l'Est de l'Ontario	292,992	295,014
60.1	CSD catholique des Grandes Rivières	298,074	275,176
60.2	CSD catholique Franco-Nord	83,014	86,428
61	CSD catholique du Nouvel-Ontario	240,110	226,670
62	CSD catholique des Aurores boréales	44,697	43,849
63	CS catholique Providence	214,590	216,340
64	CSD catholique Centre-Sud	312,605	324,044
65	CSD catholique de l'Est ontarien	273,817	273,921
66	CSD catholique du Centre-Est de l'Ontario	418,409	411,087