

2005:B4

MEMORANDUM TO: Directors of Education

FROM: Wayne Burtnyk
Assistant Deputy Minister (A)
Business and Finance Division

DATE: March 18, 2005

SUBJECT: **Good Places to Learn: Stage 1 School Repairs**

I am writing further to Memorandum 2005:B2 of February 18th, to provide you with additional information regarding Stage 1 allocations for school repairs under the Good Places to Learn initiative. It is hoped that this additional information will help boards to plan for their renewal projects this summer. I also enclose a timeline for further actions to follow-up on the February 17 announcement.

As the Minister indicated in his February 17th announcement, the Government has taken significant action to help school boards address their urgent and high repair needs and to improve the existing inventory of school buildings.

Board Allocation

The Good Places to Learn initiative focuses on addressing urgent and high repair needs that were identified through an inspection of all schools carried out under the direction of Physical Planning Technologies Incorporated (PPTI) in 2002 and 2003. The definition of *urgent* and *high* was derived from PPTI's technical assessment of the condition of those building components identified as fundamental to the operation of a school. Detailed data of school renewal needs, including projects by priority level and by year, has been compiled in board-specific databases using the ReCAPP asset management software.

The detailed renewal data were adjusted to reflect updates to the School Facilities Inventory System for 2004-05. For the purposes of this initiative, schools not operating a regular day school program in 2004-05 are not included in the database. Schools that have been identified as candidates for replacement by virtue of having a facilities condition index of 65%, or greater, are also excluded from the high and urgent needs identified in the database.

A paper listing facilities with urgent and high needs projects is available on the Ministry's FTP site at <ftp://ftp.edu.gov.on.ca/sfis/facilities-policy-review>. Boards also have access to the detailed list of projects through their ReCAPP data base. Boards are requested to review this material carefully and advise the Ministry's Business Services Branch by April 15, 2005, if there are any errors and omissions. Issues identified will be reviewed on a case-by-case basis. Any adjustments necessary will be taken into consideration in the allocation of funds under Stage 2 of this initiative.

An overview of how the Stage 1 allocation was calculated is as follows. Each board's projected financed amount, as communicated in the B2 Memorandum, is designed to address approximately 40% of a base figure for renewal needs. The base figure is calculated as either the total urgent and high needs for 2003 and 2004, or 40% of the total repair needs for those two years, whichever is greater.

With respect to Stage 2 of Good Places to Learn, advice will be sought from the sector on the best way to allocate the remaining funds under this initiative, with final decisions being made after boards have finalized their long-term capital plans in the Fall.

Financing for Repair Projects

Although this is technically a 2005-06 initiative, boards should not wait until September 2005 to begin to address their urgent and high needs priority projects. For work undertaken this summer, boards are expected to arrange short-term financing to cover expenditures. Funding will be provided to boards for the interest costs incurred over the summer to support this initiative.

Boards are also expected to make similar short-term financing arrangements for the urgent and high needs work that is undertaken during the 2005-06 school year. The Province will cover these short-term interest costs as well, until such time as boards' commitments under Stage 1 can be consolidated, with the help of the Province, into a long-term financing vehicle. Boards are therefore required to wait for Ministry direction before making any long-term financing decisions related to this initiative.

The Ministry has established a target short-term interest rate of 2.75% to finance the cost of repairs for Stage 1 renewal. If your board is able to obtain this rate or a lower one, through your own credit arrangements, please advise staff in the Business Services Branch. If your board is unable to arrange financing at this rate, please notify the Business Services Branch and we will provide assistance through the joint government and school board task force on capital financing, led by Peter Derochie, President of the Ontario School Boards Financing Corporation. Further information about the task force will be provided shortly.

Boards that have benefited in the past from inter-board bulk purchasing are strongly encouraged to continue these practices in order to find the most cost effective way of repairing their schools. All boards should consider entering into such cooperative arrangements. To support boards' efforts in this area, Peter Derochie has also been asked to lead an inter-board group to explore ways of coordinating bulk bidding and purchasing of building components and services to take advantage of economies of scale. Any savings achieved through this approach will be retained by boards to support further renewal activity.

Flexibility in Project Selection

Boards have the flexibility to choose renewal projects for Stage 1 from their total urgent and high needs for 2003 and 2004 identified in their ReCAPP database. It is not necessary to receive Ministry approval of individual projects undertaken through this initiative. However, boards are asked to pass a formal resolution indicating that funds from Stage 1 of Good Places to Learn will only be used to address repair projects that have been identified as urgent and high needs in the ReCAPP database. Please forward a copy of your board resolution to the Business Services Branch.

Boards are encouraged to undertake as much work as possible this summer. The Ministry, however, recognizes that this may not always be possible or cost effective because of local circumstances, such as the availability of tradespeople, or the price structure of a particular kind of work or building component. Boards' entitlements under Stage 1 will not be affected if they are unable to fully undertake projects this summer.

To maximize the long-term benefit from this investment, Stage 1 repair projects should only take place in schools that will remain open for 10 years or more. Repairs to schools that may be considered for future closure can still be made through your annual Grant for School Renewal.

Reporting

Boards are asked to report to the Ministry by June 15, 2005, through the School Renewal Report on SFIS, on the specific projects they plan to complete before classes begin in September, 2005. The Ministry may conduct site visits to assess the progress of projects.

Boards will be asked to prepare annual public reports that document the renewal improvements made to each school, the costs, and any savings achieved as part of the Stage 1 initiative.

Licensing with PPTI

The Ministry of Education has negotiated a Software License and Database Services Agreement on behalf of the entire school board system with PPTI. All boards are expected to sign the license agreement, with the cost being covered by funding allocated to boards for that purpose in the 2004-05 funding regulation. Once school boards have signed their individual licensing agreements with PPTI, they will be given access to their individual ReCAPP databases. This access will allow boards to update their school building condition assessment information developed from the inspections of all schools in 2003 and will also assist boards in project selection and in developing effective school renewal programs.

Next Steps

The Ministry will be working with boards on all aspects of the implementation of the Good Places to Learn policy. Provided below is a timeline outlining when further information will be available on the various aspects of the policy and opportunities for board consultation.

Beginning of April

- Notify boards of process for review of school closing decisions made during provincial moratorium (after December, 2003)

Late April

- Final school closure guidelines and school valuation templates

Early May

- Guidelines for capital planning process for comments
- Release funding criteria and preliminary list of schools eligible for replacement as Prohibitive to Repair

Early June

- School closure reviews complete

September

- Planning for Phase 2 high and urgent needs renewal projects based on updated ReCAPP database and Ministry SFIS

October

- Long-term capital plans due to Ministry

If you have any questions regarding the information provided in this memorandum, please contact Kerry Pond at (416) 325-4030 (e-mail: kerry.pond@edu.gov.on.ca) or Lygia Dallip at (416) 325-2017 (e-mail: lygia.dallip@edu.gov.on.ca) of the Ministry's Business Services Branch.

Good Places to Learn underscores the Government's commitment to creating learning environments that support higher student achievement. I look forward to your cooperation and support as we move forward to implement this new approach to the renewal of Ontario's schools.

A handwritten signature in black ink, appearing to read "W. Burtnyk".

Wayne Burtnyk
Assistant Deputy Minister (A)
Business and Finance Division

cc: Senior Business Officials