

Ministry of Education

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2016: SB24

MEMORANDUM TO: Senior Business Officials

FROM: Grant Osborn
Director
Capital Policy and Programs Branch

DATE: August 12, 2016

SUBJECT: **Public Release of Assessment Data, New School
Renewal Funding & 2016-20 Condition Assessment
Program**

Between 2011 and 2015, approximately 4500 facilities have been assessed across all 72 school boards through the Ministry's Condition Assessment Program. We would like to thank all school boards for their ongoing support and assistance over the past five years. As previously communicated, the data collected through this program will be publicly released prior to the start of the 2016-17 school year.

Over this assessment cycle, in response to the results from this program, the Ministry has also made significant increases and changes to renewal funding. With additional funding to keep schools in a state of good repair and the Ministry embarking upon a new five assessment cycle beginning in 2016, we would like to bring to your attention the following items discussed in this memorandum:

1. Public Release of 2011 to 2015 Assessment Data
2. New Renewal Funding – Additional Details
 - An additional \$995 million in School Condition Improvement (SCI) funding
 - An additional \$80 million School Renewal Allocation (SRA) funding
 - The “80/20” rule around how SCI funds can be spent is being amended to “70/30”
 - Additional SRA funds are being allocated to boards using a “60/40” split between expenditures that are capital and maintenance, respectively
3. Reporting of SCI Expenditures
4. Reporting of SRA Expenditures
 - Capital expenditures made during the 2016-17 school year are to be reported in VFA.facility by January 31, 2018.
5. 2016-2020 Assessment Cycle – Preparing for an Assessment
6. What's New for the 2016-20 Assessment Cycle
7. Migration to VFA.facility and Training

1. Public Release 2011 to 2015 Assessment Data

In accordance with the Government's *Jobs and Prosperity Act* (to support long-term infrastructure planning) and in support of the Open Government Initiative, the Ministry is planning to publicly release information on the condition of school facilities open and operating during the 2015-16 school year. This information is expected to be released on or before the fourth week of August.

Facility condition data based on assessment conducted between 2011 and 2015 will be posted on the Ministry's public website. Data fields and table format to be released is presented in Appendix A. Facility data will be shared with each school board, for review, prior to the public release. School boards may see variation in their condition assessment data, as the Ministry has normalized some of the data to reflect changes to the Ministry's construction benchmark and to adjust renewal needs for inflation. School boards are encouraged to consult reference materials to be made available as part of the release.

2. New Renewal Funding – Additional Details

As announced in memorandum 2016: B13, the Ministry has committed an additional \$1.1 billion in renewal funding to support school boards over the 2015-16 and 2016-17 school years, as follows:

- An additional \$995 million in School Condition Improvement (SCI) funding
- An additional \$80 million in School Renewal Allocation (SRA) funding.

As a result, the Ministry's total investment in renewal funding for school boards in the 2015-16 and 2016-17 school year has increased to \$2.7 billion.

2.1 School Condition Improvement (SCI)

Over the 2015-16 and 2016-17 school years, an additional \$995 million has been allocated in SCI funding, which brings total SCI funding to almost \$2 billion over the two school years. The breakdown is presented below.

School Year	Original Allocation	New Investment	Total SCI
2015-16	\$500 million	\$460 million	\$960 million
2016-17	\$500 million	\$535 million	\$1,035 million

The new investment in SCI funding has been added to each school board's existing 2015-16 and 2016-17 SCI allocations. The increase is in proportion to a school board's 2016-17 allocation, as the 2016-17 allocation reflects the results of the full 2011-15 assessment cycle and the most recent data on open and closed schools.

As noted in memorandum 2016:B13, the Ministry is also amending the "80/20" rule around how SCI funds can be spent to "70/30". School boards are now required to

direct 70 percent of their SCI funds to address major building components (for example, foundations, roofs, windows) and systems (for example, HVAC and plumbing). The remaining 30 percent of SCI funding can continue to address the above listed building components or, alternatively, building interiors and surrounding site components (for example, site utilities, parking and pavements). Unspent funds in any given school year will be carried forward to the next school year and continue to follow the “70/30” rule. Please see the table below for the categories of restricted (70 percent) and unrestricted (30 percent) uses of SCI funding.

Expenditure Categories by Component	Restricted (70%)	Unrestricted (30%)
A. Substructure (e.g. foundations, basement walls)	Yes	Yes
B. Shell/Superstructure (e.g. roofs, exterior walls and windows)	Yes	Yes
C. Interiors (e.g. stairs, floor finishes, ceilings)	No	Yes
D. Services (e.g. plumbing, HVAC, fire protection and electrical)	Yes	Yes
E. Equipment & Furnishings (fixed items only)	No	Yes
F. Special Construction & Demolition	No	Yes
G. Building Sitework (e.g. parking lots, site lighting, pavements)	No	Yes

SCI funds are to cover the repair and replacement of existing building systems. These funds are **not** intended to:

- Support new construction or facility enhancements that expand the gross floor area of the facility or alter the original intended use of the facility
- Cover salary and wages of school board staff
- Purchase, retrofit or repair temporary accommodations
- Service debt
- Maintain or renew administrative facilities (this also applies to the annual School Renewal Allocation)

Note that the use of these funds is subject to audit and that the Ministry is looking to publicly release all reported expenditures in the future.

2.2 School Renewal Allocation (SRA)

Over the 2015-16 and 2016-17 school years, an additional \$80 million has been allocated towards the SRA. This is an additional \$40 million per school year, which has been allocated in proportion to a school board’s relative share of provincial SRA funding for that respective school year.

This additional funding, for these two school years, has been split with 40 percent of the funds allocated towards operating/maintenance type expenditures (e.g. painting) and the remaining 60 percent of the funds allocated towards expenditures that are capital in nature (e.g. roof repair, accessibility enhancements, portable repair). While the

additional operating/maintenance funds can be put towards capital investments, the additional capital funds cannot be put towards operating/maintenance items.

Unspent SRA funds in any given school year will be carried forward to the next school year. Any unspent operating/maintenance funds will be carried forward to address operating/maintenance expenditures in the next school year.

3. Reporting of SCI Expenditures

3.1 Expenditures funded from 2011-12 through 2014-15 SCI allocations

As noted in memorandum 2015: SB37, school boards are required to report all expenditures funded through their 2014-15 SCI allocation (and deferred revenue) by August 31, 2016. To accurately account for all expenditures, please ensure that the accumulated total expenditures reported in TCPS/VFA.facility between 2011-12 and 2014-15 match the accumulated total expenditures reported in the Education Finance Information System (EFIS) over the same period. School boards that fail to comply with this reporting requirement will be unable to access their 2016-17 School Renewal Allocation. Once a board complies with this reporting requirement, the Ministry will then release the board's School Renewal Allocation.

3.2 Deferred Revenues

School boards with SCI funds in deferred revenues are reminded to deplete these reserves prior to accessing their 2015-16 allocations. Expenditure funded through deferred revenues (including interest earned on deferred revenue and adjustments) must be reported in TCPS/VFA.facility using the 2014-15 SCI budget code. The 2015-16 SCI budget code is intended for SCI expenditures that are funded through the 2015-16 SCI allocation. This budget code should only be used in TCPS/VFA.facility once the deferred revenue balance has been depleted.

Please ensure you are using the correct budget codes for reporting SCI expenditures in TCPS/VFA.facility, as using the incorrect budget code will draw down your 2015-16 SCI allocation before you have depleted your SCI deferred revenues. It will also double count the SCI expenditure when boards enter the expenditure funded through deferred revenue in EFIS, as expenditures from deferred revenues will not be uploaded into EFIS (boards are required to manually enter this information into EFIS).

3.3 Expenditures funded from 2015-16 SCI allocation

As outlined in the memorandum 2015: SB37, all expenditures funded through School Condition Improvement (SCI) must be reported in TCPS/VFA.facility. The Ministry will then upload the reported expenditures directly to EFIS. To support boards in meeting their 2015-16 financial statements reporting deadline, the first upload of SCI expenditures will occur in mid-September 2016. From that point forward, the Ministry intends to increase the frequency of uploads from TCPS/VFA.facility to EFIS to three times a week until the end of October 2016. The updated deadline is posted in the table below.

SCI Expenditure Reporting	First Upload to EFIS	Last Upload to EFIS	Cash Payment
Expenditures from April 1 to August 31, 2016	Mid-September, 2016	October 31, 2016	February 2017

For expenditures made in the 2015-16 school year that have been funded through previous year allocations (i.e. funded through deferred revenue), please refer to section 2.1 and 2.2.

3.4 Refinements to Reporting Process

The Ministry is currently collaborating with finance and capital staff from six boards to review opportunities for refining and streamlining the reporting processes. Items reviewed include treatment of reporting year-end adjustments (e.g., year-end accruals) and credit notes, the archiving process and reporting timelines (reporting timelines have been updated to reflect school board feedback). We will be piloting options with these boards and will share any potential changes to the reporting process in the coming months.

4. Reporting of School Renewal Allocation Expenditures

School boards are also strongly encouraged to report their 2015-16 School Renewal Allocation capital expenditures in TCPS/VFA.facility (for buildings and other non-moveable type assets). The Ministry will be moving to mandatory reporting of all SRA expenditures that are capital in nature, as described above, in VFA.facility for the 2016-17 school year. All reported expenditures (as in-progress or complete projects) in TCPS/VFA.facility must match the reported expenditures in EFIS by January 31, 2018.

5. 2016-2020 Assessment Cycle: Preparing for Assessments

The Ministry is continuing the Condition Assessment Program for another five year cycle beginning in 2016. This means that all eligible schools across Ontario will be assessed between 2016 and 2020. The Ministry intends to keep the overall distribution and schedule of facility condition assessments between 2016 and 2020 as consistent as possible with the 2011 to 2015 assessment cycle. This means that schools assessed in 2011 should be assessed again in 2016.

The high-level 2016 to 2020 assessment schedule, showing the total number of facilities to be assessed per board, is attached as Appendix B. Boards are reminded that they are responsible for ensuring that only eligible facilities are inspected.

5.1 Assessment Scope

Similar to the 2011 to 2015 assessment cycle, the assessments include only permanent space. The assessments are intended to address structures and systems that are critical to the integrity of the functioning of the building. Please note that the

assessments are non-invasive and the assessors are not responsible for assessing a facility against the current building code, but will note any violations when detected. Boards are reminded if they share a facility with another board that the entire facility must be assessed at the same time.

Below are the types of education facilities that will be eligible to be assessed:

- Education facilities five years old or older that are owned or co-owned by boards and that are expected to remain open and operating
- Childcare facilities within the building envelope
- Long term leased schools (more than 10 years – boards will need to identify)
- Stand-alone board-owned Continuing Education facilities
- One administration facility per board (it does not have to be the same administrative facility assessed in the 2011-15 cycle).

Similar to the 2011-2015 assessment cycle, eligible facilities that are at least eight years old will receive a “full” assessment. Eligible facilities that are at least five years old and less than eight years old will receive a “modified” assessment

Below are the types of education facilities that will **not** be eligible to be assessed:

- Closed education facilities and education facilities newer than five years old
- Portion of the education facility that is owned by a party other than a board (e.g. municipally-owned and operated library that is included in the building envelope)
- Portables and stand-alone portapaks
- Facilities funded for closure through the School Consolidation Capital program

5.2 School Facilities Inventory System (SFIS) Data

School boards will no longer have the ability to make updates to inventory data in VFA.facility. This data will need to be updated in SFIS, as it is the source of this data. Please ensure all facility data in SFIS is current and that shared facilities are accurately represented in the database. Inaccurate data can impact assessment eligibility, replacement value calculations and funding. Please review:

- Gross floor area (GFA) and age for all additions;
- Facility panel and on the ground (OTG) capacity; and
- For multi-use facilities, please ensure that the distribution of GFA and OTG is accurately reflected over the multiple SFIS IDs

5.3 Assessment Process

As a reminder, key steps in the assessment process are outlined below with a high-level overview flowchart available in Appendix C.

Pre-Assessment

Sixty to 90 days before an assessment, VFA will contact boards to discuss the facilities planned to be assessed.

Thirty days before an assessment, boards are expected to provide VFA a list of documents for each building and are required to upload them to VFA's FTP site two weeks before the pre-assessment meeting. These documents must include the following:

- Floor, site and roof plans;
- Inventory of mechanical system;
- Designated substance survey (e.g., asbestos, roofs, mechanical)
- List of renewal work completed since the day of the last assessment; and
- Any other relevant reports

In addition, VFA will also send the updated Accessibility Survey to boards. It is recommended that boards complete this survey prior to the pre-assessment meeting.

Fifteen days before an assessment, the pre-assessment meeting between will occur to review all the material submitted by the board, discuss the condition of the building to be assessed and review information submitted on individual building components.

Assessment Day

On the day of assessment, school boards are required to have facilities staff on site to discuss the facility with the assessment team and accompany the assessors during the actual assessment. Please ensure that staff on site is aware of the assessment (Principal, Vice-Principal(s) and teachers).

VFA's assessment team will be comprised of two engineers; one with expertise in building design and construction and the other with expertise in building systems (e.g. mechanical and electrical).

Post Assessment

Within 30 days after the assessment, school boards are required to complete and submit their post-assessment surveys.

Within 60 days of the onsite assessment visit, the board will receive a draft Condition Assessment Report. The board has 60 days to review this draft report and provide feedback to the VFA Project Team. Please ensure that board staff with technical knowledge of the facility reviews this report. Comments on the draft report, from the board, are an important part of the process as they help ensure that all existing deficiencies are accurately captured and costed. Board comments and feedback will be reviewed and applicable changes will be made prior to the submission of the final Condition Assessment Report.

6. What's New for the 2016-20 Assessment Cycle

As part of the new assessment cycle the Ministry is introducing a Facility Accessibility Survey and On-the-Ground (OTG) Capacity Review. The energy checklist will be not be used for the new 2016-20 cycle.

6.1 Facility Accessibility Review

In collaboration with school boards, the Ministry has revised the approach to capturing accessibility needs in school facilities. Accessibility at each school will be reviewed against key parts in the two regulations listed below:

- Integrated Accessibility Standards (O. Reg. 191/11 – current: January 1, 2013)
- Building Code (O. Reg. 332/12 – current: January 1, 2016)

As part of the pre-assessment, each board is required to complete the revised accessibility survey for each facility being assessed. The survey captures requirements for:

- Parking (minimum number of accessible parking spaces)
- Interior (for the principal/main floor) and exterior barrier free paths of travel (including ramps and entrance ways).
- Washrooms on the principal/main floor

We are aware that there are some inherent challenges in making older facilities accessible. To capture these challenges, as part of the survey, a comments field is provided for the board and assessor to capture unique site features. Note that the board's response on this survey will be verified by assessors. Once verified and accepted, each category will be costed based on figures agreed on with school boards. Note that the accessibility need captured through this revised process will not be included as part of a facility's five year renewal needs.

6.2 On-the-ground (OTG) Capacity Review

For the 2016-20 assessment cycle, 50 sites will be selected by the Ministry each year for review of their reported OTG capacity in the Ministry's SFIS. This on-site review will be conducted by VFA assessors and the Ministry will be following up with school boards should there be any discrepancies.

Boards are required to ensure that the room loading information, under the permanent room summary in SFIS, accurately captures purpose built space.

7. Migration to VFA.facility and Training

VFA is in the process of migrating boards from TCPS to VFA.facility. This migration is expected to be complete by September 2016. All facilities that are being assessed in 2016 have been given priority for migration.

Training, for VFA.facility, is open to school board finance and capital staff. Boards are strongly encouraged to take advantage of VFA training resources either in-class or by webinar. To register for training please visit the following portal: www.edu-vfa.com.

8. Key Contacts

For questions about any of the information included in this memorandum, please contact Hitesh Chopra, Team Lead, Policy, Capital Policy and Programs Branch, at (416) 325-1887 or Hitesh.Chopra@ontario.ca

For questions relating to TCPS/VFA facility, please contact VFA: or any of the following individuals from VFA:

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Original signed by:

Grant Osborn

Director

Capital Policy and Programs Branch

Copy: Directors of Education
Facility Managers

A. Appendix: Proposed Data Format and Data Fields

- School board name
- School name
- Total five year renewal needs at time of assessment (adjusted for inflation)
- Total five year renewal needs, broken down into four categories:
 - Structure: includes roofs, windows and exterior doors
 - Interiors: includes interior doors, carpets and tiles
 - Services: includes electrical, plumbing, and HVAC
 - Site & other: includes storm sewers, parking lots and site lighting
- Replacement value: based on current Ministry construction benchmarks
- Facility Condition Index: five year renewal needs divided by replacement value
- Gross floor area in m²: for each building, as reported in SFIS
- Weighted age: the age of each building adjusted to reflect all demolitions and additions made to original structure
- Postal code
- City
- Facility enrolment for the 2015-16 school year

Board No.	Board Name	Building No.	School Name	City	Postal Code	Weighted Age	Gross Floor Area (m ²)	Replacement Value	Structure	Interiors	Services	Site & Other	Total 5-year Renewal Needs	Facility Condition Index ("FCI")	Assessment Year	Average Daily Enrolment ("ADE")
100	DSB Ontario	1-1	St. Gabriel	Brantford	N3T 5R7	67	4,153	9,434,475	-	40,800	-	162,705	203,505	2%	2015	341
100	DSB Ontario	2-1	St. Osborn	Thunder Bay	P7C 5K4	57	16,463	27,978,444	2,244,000	1,203,600	204,000	1,111,800	4,763,400	17%	2015	1,236
100	DSB Ontario	3-1	Deslauriers	Ottawa	K1P 1J1	20	1,620	5,327,998	276,420	173,400	367,200	311,100	1,125,120	21%	2015	144
100	DSB Ontario	4-1	Nalsmith	Toronto	M7A 1L2	3	4,258	8,720,262	-	-	-	-	-	-	Not Assessed	271

B. Appendix: 2016-2020 Assessment Schedule

School Board Name		2016	2017	2018	2019	2020	Total
1	DSB Ontario North East		19	12			31
2	Algoma DSB	22		25	1		48
3	Rainbow DSB	25		20		1	46
4	Near North DSB	20		16			36
5.1	Keewatin-Patricia DSB		24				24
5.2	Rainy River DSB		14				14
6.1	Lakehead DSB		31				31
6.2	Superior-Greenstone DSB		16				16
7	Bluewater DSB		24	24	1		49
8	Avon Maitland DSB		21	18	1		40
9	Greater Essex County DSB	27		19	22		68
10	Lambton Kent DSB	24			20	23	67
11	Thames Valley DSB	34	35	32	31	30	162
12	Toronto DSB	99	91	130	122	125	567
13	Durham DSB	26	25	24	24	30	129
14	Kawartha Pine Ridge DSB		20	22	24	24	90
15	Trillium Lakelands DSB		16	20		19	55
16	York Region DSB		19	46	69	78	212
17	Simcoe County DSB	23	12	38	26	11	110
18	Upper Grand DSB		25		24	29	78
19	Peel DSB	44	46	40	55	66	251
20	Halton DSB	35		24	1	43	103
21	Hamilton-Wentworth DSB	32	1	21	30	26	110
22	DSB of Niagara	27		5	36	35	103
23	Grand Erie DSB		25	23		29	77
24	Waterloo Region DSB		28		49	45	122
25	Ottawa-Carleton DSB	30	30	30	27	29	146
26	Upper Canada DSB	25		24	20	22	91
27	Limestone DSB		16	20	23	2	61
28	Renfrew County DSB		16		12	1	29
29	Hastings and Prince Edward DSB		15	20	13	1	49
30.1	Northeastern Catholic DSB		4	1		11	16
30.2	Nipissing-Parry Sound Catholic DSB	6		4		3	13
31	Huron-Superior Catholic DSB	9		7		1	17
32	Sudbury Catholic DSB	10		5		1	16
33.1	Northwest Catholic DSB		7				7
33.2	Kenora Catholic DSB		6				6
34.1	Thunder Bay Catholic DSB		21				21
34.2	Superior North Catholic DSB		10				10

School Board Name		2016	2017	2018	2019	2020	Total
35	Bruce-Grey Catholic DSB		14				14
36	Huron-Perth Catholic DSB		19				19
37	Windsor-Essex Catholic DSB	18		11	19		48
38	London District Catholic School Board	19		17	1	18	55
39	St. Clair Catholic DSB	10				18	28
40	Toronto Catholic DSB	40	40	42	44	40	206
41	Peterborough V N C Catholic DSB	10		10	8	9	37
42	York Catholic DSB	19	20	21	20	26	106
43	Dufferin-Peel Catholic DSB	30	30	30	33	31	154
44	Simcoe Muskoka Catholic DSB	13	13	13	8	6	53
45	Durham Catholic DSB	22	22		1	5	50
46	Halton Catholic DSB	22			2	31	55
47	Hamilton-Wentworth Catholic DSB		20	21	12	11	64
48	Wellington Catholic DSB		20			3	23
49	Waterloo Catholic DSB		20		18	19	57
50	Niagara Catholic DSB	25			20	17	62
51	Brant Haldimand Norfolk Catholic DSB		10	11	1	12	34
52	Catholic DSB of Eastern Ontario	10			17	16	43
53	Ottawa Catholic DSB	22	19	18	29		88
54	Renfrew County Catholic DSB		22				22
55	Algonquin and Lakeshore Catholic DSB		20		24		44
56	CSD du Nord-Est de l'Ontario		17				17
57	CSD du Grand Nord de l'Ontario	10		5			15
58	CS Viamonde	13	20		12	2	47
59	CÉP de l'Est de l'Ontario	15			17		32
60.1	CSD catholique des Grandes Rivières		20	11	7		38
60.2	CSD catholique Franco-Nord	5		6		2	13
61	CSD catholique du Nouvel-Ontario	20		14			34
62	CSD catholique des Aurores boréales		4				4
63	CSC Providence	15		16			31
64	CSD catholique Centre-Sud	10	10	22	13	2	57
65	CSD catholique de l'Est ontarien	18			14	5	37
66	CSD catholique du Centre-Est de l'Ontario	20			16	15	51
	Isolate School Boards			5			5
Total		904	977	943	967	973	4764

C. Appendix: Assessment Process Overview

