

Ministry of Education

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2017: SB08

MEMORANDUM TO: Superintendents of Business
Superintendents of Facilities

FROM: Colleen Hogan
Director
Capital Policy and Programs Branch

DATE: April 12, 2017

SUBJECT: **Renewal & Greenhouse Gas Reduction Funding for
the 2017-18 School Year**

The ministry is continuing its historic investment in school renewal by maintaining its commitment to invest a total of \$1.4 billion in both the 2017-18 and 2018-19 school years. Of these funds, the ministry will invest \$1 billion per school year under the School Condition Improvement (SCI) program, which includes \$200 million (starting this April and ending March 31st, 2018) to support a new Greenhouse Gas Reduction Fund (GGRF), and another \$40 million per school year to supplement the School Renewal Allocation (SRA). As a result of this investment, the SRA is projected to be \$357 million in the 2017-18 school year.

This memorandum is intended to outline additional details related to these significant investments. We would like to bring to your attention the following items:

1. School Condition Improvement (SCI)
2. **New** Greenhouse Gas Reduction Fund (GGRF)
3. School Renewal Allocation (SRA)
4. Signage

1. School Condition Improvement (SCI)

With today's announcement, total investment under the SCI program since 2011-12 will amount to almost \$5 billion. The ministry's investment in SCI funding was increased as of 2015-16 to respond to the results from the condition assessment program. The investment for the 2017-18 and 2018-19 school years is consistent with SCI funds allocated for the two previous school years and will ensure that school boards can continue to invest in major building and site renewal needs that are depreciable in nature and improve the condition of school facilities.

For 2017-18, \$1 billion will be allocated to school boards through the core SCI program with the following breakdown below:

- School Condition Improvement (core): \$800 million

- Greenhouse Gas Reduction Funding: \$200 million (see section 2 for details)

The ministry is allocating the core SCI funding using the same methodology as that used for 2015-16 and 2016-17. Funds for 2017-18 have been allocated in proportion to a board's total assessed five year renewal needs, identified during the 2011-15 assessment cycle, for schools open and operating in the 2016-17 school year. Funds have been allocated in this manner to address the identified state of repair. Please see Appendix A for individual school board allocations.

1.1 Scope & Accountability

We would like to remind school boards of the appropriate use of SCI funds. As announced in Memorandum **2016: B13** – “New Renewal Funding to Keep Schools in a State of Good Repair”, starting in 2015-16, school boards are 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, 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 discretionary renewal (30 percent) uses of SCI funding.

SCI Expenditure Categories by Component	Restricted Renewal 70%	Unrestricted Renewal 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)

As usual, the ministry expects that school boards will spend their SCI and School Renewal Allocation 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.

School boards are also reminded that all SCI-funded expenditures must be depreciable in nature, and must be reported in VFA facility. Payments will be made twice a year based on reported expenditures.

*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. The ministry may also choose to follow up on reported expenditures. Failure to provide details when requested will result in either claw back or the ministry withholding funds.

2. **New Greenhouse Gas Reduction Fund (GGRF)**

In 2015, Ontario announced that it was placing a limit on the main sources of greenhouse gas (GHG) pollution through a cap and trade system that would reinvest the auction proceeds in a transparent way back into initiatives that reduce, or support the reduction of GHG emissions. In June 2016, Ontario released its Climate Change Action Plan (CCAP). The plan outlines the key actions the government will take to combat climate change, create good jobs in clean tech and construction, increase consumer choice and generate opportunities for investment in Ontario.

In support of the Government's CCAP, the ministry is pleased to announce the \$200 million GHG Reduction Fund (GGRF) that will reduce GHG emissions from facilities in the education sector. **This is a time limited program** for eligible expenditures incurred between April 12, 2017 and March 31, 2018:

GGRF Program Timelines	Start Date	2017/18 Estimates	End Date
	April 12, 2017	June 30, 2017	March 31, 2018

The tabled amount per board is available in Appendix B. Your available room, under the **tabled amount, cannot be carried forward beyond the program end date**. The GGRF allocation methodology is consistent with SCI funds allocated to school boards.

2.1 **Program Scope**

Eligible expenditures under this program will support the replacement, renewal and installation of new energy efficient building components in:

- elementary schools
- secondary schools
- administrative buildings

Eligible facilities are board owned facilities (third party leases excluded) that are expected to remain open and operating for a minimum of five years.

Energy efficient building components include: energy efficient lighting systems, HVAC systems/controls and other pre-defined enhancements to the building envelope. Eligible components **must** be listed below otherwise expenses will not be reimbursed.

Category	Eligible Components
Lighting	High Efficiency Lighting Systems (e.g. LED)
	Controls and Sensors
HVAC & Controls	High Efficiency Boilers & Furnaces
	High Efficiency Boiler Burners
	Heat Recovery / Enthalpy Wheels for Ventilation
	Economizers
	High Efficiency HVAC Systems
	High Efficiency Rooftop and MUA units
	High Efficiency Domestic Hot Water
	High Efficiency Motors
	Variable Frequency Drives
	Demand Ventilation
	Controls for Entrance Heaters
	Building Automation Systems – New or Upgrades
	Real-time Energy Monitoring
	Voltage Harmonizer
	Ground Source Heat Pump (Geothermal)
Air Source Heat Pump	
Solar Air & Water	
Energy Efficient Ventilation	
Building Envelope	Energy Efficient Windows/Doors/Skylights (e.g. lower thermal conductivity fenestration)
	Increased Wall & Roof Insulation (with increased air tightness)
	New Roof (with high insulation factors)
Various	Solar Photovoltaic
	Commissioning / Retro-commissioning (as part of a capital project)
	Electric Vehicle Charging Stations
	Other technologies (only if approved by the Ministry of Education in advance)

2.2 Accountability and Reporting

The GGRF has been established to support the reduction of GHG emissions and will be funded through proceeds from the government’s Cap and Trade auctions. By law, Cap and Trade proceeds must be invested in projects that reduce GHG emissions and all initiatives funded through these proceeds must report on their GHG reductions.

Again, eligible expenditures must be incurred between April 12, 2017 and March 31, 2018. These expenses must be reported in VFA facility using the GGRF funding source to be reimbursed. Reporting will occur as part of your 2016-17 Financial Statements and 2018 March Report.

These funds are to repair, replace or install building systems that have a proven impact on the reduction of GHG emissions. These funds are **not** intended to:

- Fund operational or maintenance expenses
- Support new construction or facility enhancements that expand the gross floor area of the facility or the original intended use of the facility

- Cover salary and wages of school board staff
- Service debt

Note that the use of these funds is subject to audit. The Ministry may also choose to follow up on reported expenditures. Failure to provide details when requested will result in either claw back or the Ministry withholding funds.

2.3 Reporting of Estimated Expenditures

As this is a time limited initiative and funds will not be carried forward to future periods, the Ministry will be carefully reviewing planned expenditures reported under a board's 2017-18 Estimates in EFIS. **Reporting for GGRF in EFIS is due June 30, 2017.**

As part of reporting for 2017-18 Estimates, boards are required to adjust their available room (board allocation) under the GGRF program to reflect expenditures expected to be incurred in the 2016-17 school year (April 12th, 2017 to August 31st, 2017) and also specify planned expenditures over the 2017-18 school year (September 1st, 2017 to March 31st, 2018). This will identify to the Ministry your total estimated expenditures under this program.

Note: Failure to report this information will imply that your board will not be making use of the funds allocated under the GGRF. Available room that is not intended to be used by a board, or due to a board's failure to report, may be redistributed to other boards in proportion to their original share.

3. School Renewal Allocation (SRA)

Over the 2017-18 and 2018-19 school years, an additional \$80 million has been allocated towards the SRA. This is an additional \$40 million per school year.

For the 2017-18, these funds have been allocated in proportion to a school board's relative share of provincial SRA funding for the 2017-18 school year. This additional funding 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.

4. Signage

With this announcement, the Ministry is requesting that school boards continue 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.

5. Key Contacts

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.

For questions about any of the information included in this memorandum, please contact:

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For questions relating to VFA.facility, please contact Accruent:

Sazan Bimo – Senior Project Manager sbimo@accruent.com (647) 497-5421	Al Kostiuk – Senior Functional Consultant akostiuk@accruent.com (647) 497-5405
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Original signed by:

Colleen Hogan
Director
Capital Policy and Programs Branch

Copy: Directors of Education

Appendix A: 2017-18 School Condition Improvement (\$800 million)

Board ID	Board Name	SCI
1	DSB Ontario North East	6,605,260
2	Algoma DSB	8,864,110
3	Rainbow DSB	8,826,970
4	Near North DSB	6,580,480
5A	Keewatin-Patricia DSB	6,832,260
5B	Rainy River DSB	3,667,870
6A	Lakehead DSB	8,222,440
6B	Superior-Greenstone DSB	4,352,280
7	Bluewater DSB	8,499,500
8	Avon Maitland DSB	6,813,560
9	Greater Essex County DSB	20,604,760
10	Lambton Kent DSB	12,588,880
11	Thames Valley DSB	36,569,180
12	Toronto DSB	200,873,970
13	Durham DSB	20,760,030
14	Kawartha Pine Ridge DSB	8,584,870
15	Trillium Lakelands DSB	6,841,770
16	York Region DSB	17,783,360
17	Simcoe County DSB	9,872,750
18	Upper Grand DSB	6,465,350
19	Peel DSB	51,685,340
20	Halton DSB	12,175,500
21	Hamilton-Wentworth DSB	18,494,660
22	DSB of Niagara	11,842,500
23	Grand Erie DSB	10,129,110
24	Waterloo Region DSB	13,117,120
25	Ottawa-Carleton DSB	41,883,180
26	Upper Canada DSB	16,951,440
27	Limestone DSB	10,436,690
28	Renfrew County DSB	5,190,580
29	Hastings and Prince Edward DSB	10,698,340
30A	Northeastern Catholic DSB	2,110,990
30B	Nipissing-Parry Sound Catholic DSB	1,488,470
31	Huron-Superior Catholic DSB	2,319,410
32	Sudbury Catholic DSB	2,744,680
33A	Northwest Catholic DSB	994,530
33B	Kenora Catholic DSB	1,039,160

Board ID	Board Name	SCI
34A	Thunder Bay Catholic DSB	4,706,260
34B	Superior North Catholic DSB	1,788,870
35	Bruce-Grey Catholic DSB	502,250
36	Huron-Perth Catholic DSB	442,960
37	Windsor-Essex Catholic DSB	5,908,310
38	London District Catholic School Board	4,140,860
39	St. Clair Catholic DSB	2,598,860
40	Toronto Catholic DSB	28,392,770
41	Peterborough V N C Catholic DSB	2,114,770
42	York Catholic DSB	11,726,800
43	Dufferin-Peel Catholic DSB	11,394,380
44	Simcoe Muskoka Catholic DSB	1,737,240
45	Durham Catholic DSB	3,518,230
46	Halton Catholic DSB	3,833,830
47	Hamilton-Wentworth Catholic DSB	6,410,740
48	Wellington Catholic DSB	891,300
49	Waterloo Catholic DSB	6,795,770
50	Niagara Catholic DSB	7,606,390
51	Brant Haldimand Norfolk Catholic DSB	2,139,570
52	Catholic DSB of Eastern Ontario	2,924,450
53	Ottawa Catholic DSB	12,671,940
54	Renfrew County Catholic DSB	3,119,220
55	Algonquin and Lakeshore Catholic DSB	4,446,800
56	CSD du Nord-Est de l'Ontario	371,850
57	CSD du Grand Nord de l'Ontario	3,299,890
58	CS Viamonde	7,662,200
59	CÉP de l'Est de l'Ontario	3,125,800
60A	CSD catholique des Grandes Rivières	7,752,310
60B	CSD catholique Franco-Nord	1,896,800
61	CSD catholique du Nouvel-Ontario	4,537,000
62	CSD catholique des Aurores boréales	230,250
63	CS catholique Providence	2,596,610
64	CSD catholique Centre-Sud	5,313,290
65	CSD catholique de l'Est ontarien	4,874,310
66	CSD catholique du Centre-Est de l'Ontario	5,015,770

Appendix B: Greenhouse Gas Reduction Fund (\$200 million)

Board ID	Board Name	GHG
1	DSB Ontario North East	1,651,320
2	Algoma DSB	2,216,030
3	Rainbow DSB	2,206,740
4	Near North DSB	1,645,140
5A	Keewatin-Patricia DSB	1,708,060
5B	Rainy River DSB	916,970
6A	Lakehead DSB	2,055,610
6B	Superior-Greenstone DSB	1,088,070
7	Bluewater DSB	2,124,870
8	Avon Maitland DSB	1,703,390
9	Greater Essex County DSB	5,151,190
10	Lambton Kent DSB	3,147,220
11	Thames Valley DSB	9,142,300
12	Toronto DSB	50,218,470
13	Durham DSB	5,190,010
14	Kawartha Pine Ridge DSB	2,146,220
15	Trillium Lakelands DSB	1,710,440
16	York Region DSB	4,445,840
17	Simcoe County DSB	2,468,190
18	Upper Grand DSB	1,616,340
19	Peel DSB	12,921,330
20	Halton DSB	3,043,870
21	Hamilton-Wentworth DSB	4,623,660
22	DSB of Niagara	2,960,630
23	Grand Erie DSB	2,532,280
24	Waterloo Region DSB	3,279,280
25	Ottawa-Carleton DSB	10,470,790
26	Upper Canada DSB	4,237,860
27	Limestone DSB	2,609,170
28	Renfrew County DSB	1,297,650
29	Hastings and Prince Edward DSB	2,674,590
30A	Northeastern Catholic DSB	527,750
30B	Nipissing-Parry Sound Catholic DSB	372,120
31	Huron-Superior Catholic DSB	579,850
32	Sudbury Catholic DSB	686,170
33A	Northwest Catholic DSB	248,630
33B	Kenora Catholic DSB	259,790

Board ID	Board Name	GHG
34A	Thunder Bay Catholic DSB	1,176,560
34B	Superior North Catholic DSB	447,220
35	Bruce-Grey Catholic DSB	125,560
36	Huron-Perth Catholic DSB	110,740
37	Windsor-Essex Catholic DSB	1,477,080
38	London District Catholic School Board	1,035,220
39	St. Clair Catholic DSB	649,720
40	Toronto Catholic DSB	7,098,190
41	Peterborough V N C Catholic DSB	528,690
42	York Catholic DSB	2,931,700
43	Dufferin-Peel Catholic DSB	2,848,600
44	Simcoe Muskoka Catholic DSB	434,310
45	Durham Catholic DSB	879,560
46	Halton Catholic DSB	958,460
47	Hamilton-Wentworth Catholic DSB	1,602,680
48	Wellington Catholic DSB	222,830
49	Waterloo Catholic DSB	1,698,940
50	Niagara Catholic DSB	1,901,600
51	Brant Haldimand Norfolk Catholic DSB	534,890
52	Catholic DSB of Eastern Ontario	731,110
53	Ottawa Catholic DSB	3,167,990
54	Renfrew County Catholic DSB	779,800
55	Algonquin and Lakeshore Catholic DSB	1,111,700
56	CSD du Nord-Est de l'Ontario	92,960
57	CSD du Grand Nord de l'Ontario	824,970
58	CS Viamonde	1,915,550
59	CÉP de l'Est de l'Ontario	781,450
60A	CSD catholique des Grandes Rivières	1,938,080
60B	CSD catholique Franco-Nord	474,200
61	CSD catholique du Nouvel-Ontario	1,134,250
62	CSD catholique des Aurores boréales	57,560
63	CS catholique Providence	649,150
64	CSD catholique Centre-Sud	1,328,320
65	CSD catholique de l'Est ontarien	1,218,580
66	CSD catholique du Centre-Est de l'Ontario	1,253,940

Appendix C: 2017-18 Investment in School Renewal Allocation (\$40 million)

Board ID	Board Name	Capital	Maintenance
1	DSB Ontario North East	206,904	137,935
2	Algoma DSB	170,311	113,540
3	Rainbow DSB	210,227	140,151
4	Near North DSB	160,805	107,204
5A	Keewatin-Patricia DSB	128,087	85,391
5B	Rainy River DSB	69,457	46,305
6A	Lakehead DSB	142,034	94,689
6B	Superior-Greenstone DSB	78,101	52,068
7	Bluewater DSB	223,665	149,111
8	Avon Maitland DSB	229,966	153,311
9	Greater Essex County DSB	409,563	273,042
10	Lambton Kent DSB	290,633	193,757
11	Thames Valley DSB	903,367	602,246
12	Toronto DSB	3,341,160	2,227,332
13	Durham DSB	743,594	495,731
14	Kawartha Pine Ridge DSB	384,009	256,008
15	Trillium Lakelands DSB	224,617	149,747
16	York Region DSB	1,193,157	795,440
17	Simcoe County DSB	572,425	381,619
18	Upper Grand DSB	373,758	249,173
19	Peel DSB	1,512,673	1,008,450
20	Halton DSB	686,761	457,842
21	Hamilton-Wentworth DSB	537,974	358,652
22	DSB of Niagara	442,643	295,097
23	Grand Erie DSB	325,894	217,264
24	Waterloo Region DSB	675,690	450,462
25	Ottawa-Carleton DSB	893,682	595,789
26	Upper Canada DSB	394,535	263,025
27	Limestone DSB	277,955	185,305
28	Renfrew County DSB	164,334	109,557
29	Hastings and Prince Edward DSB	217,922	145,283
30A	Northeastern Catholic DSB	58,020	38,682
30B	Nipissing-Parry Sound Catholic DSB	47,766	31,845
31	Huron-Superior Catholic DSB	81,697	54,467
32	Sudbury Catholic DSB	85,281	56,856
33A	Northwest Catholic DSB	28,580	19,055
33B	Kenora Catholic DSB	20,051	13,369

Board ID	Board Name	Capital	Maintenance
34A	Thunder Bay Catholic DSB	112,480	74,988
34B	Superior North Catholic DSB	36,165	24,112
35	Bruce-Grey Catholic DSB	59,174	39,450
36	Huron-Perth Catholic DSB	50,724	33,818
37	Windsor-Essex Catholic DSB	229,508	153,007
38	London District Catholic School Board	211,475	140,986
39	St. Clair Catholic DSB	103,930	69,288
40	Toronto Catholic DSB	1,057,682	705,124
41	Peterborough V N C Catholic DSB	156,411	104,275
42	York Catholic DSB	530,010	353,342
43	Dufferin-Peel Catholic DSB	788,978	525,988
44	Simcoe Muskoka Catholic DSB	215,201	143,470
45	Durham Catholic DSB	213,055	142,038
46	Halton Catholic DSB	331,896	221,266
47	Hamilton-Wentworth Catholic DSB	309,083	206,058
48	Wellington Catholic DSB	76,999	51,335
49	Waterloo Catholic DSB	230,457	153,640
50	Niagara Catholic DSB	243,162	162,110
51	Brant Haldimand Norfolk Catholic DSB	108,909	72,608
52	Catholic DSB of Eastern Ontario	138,084	92,058
53	Ottawa Catholic DSB	480,756	320,505
54	Renfrew County Catholic DSB	68,806	45,872
55	Algonquin and Lakeshore Catholic DSB	148,712	99,144
56	CSD du Nord-Est de l'Ontario	51,201	34,135
57	CSD du Grand Nord de l'Ontario	74,194	49,465
58	CS Viamonde	174,566	116,380
59	CÉP de l'Est de l'Ontario	182,606	121,739
60A	CSD catholique des Grandes Rivières	154,545	103,032
60B	CSD catholique Franco-Nord	55,558	37,040
61	CSD catholique du Nouvel-Ontario	131,645	87,765
62	CSD catholique des Aurores boréales	26,152	17,437
63	CS catholique Providence	130,140	86,761
64	CSD catholique Centre-Sud	201,628	134,420
65	CSD catholique de l'Est ontarien	165,297	110,200
66	CSD catholique du Centre-Est de l'Ontario	243,513	162,344