



2011: SB9

MEMORANDUM TO: Senior Business Officials

FROM: Grant Osborn
Director (A)
Capital Policy Branch

DATE: April 14, 2011

SUBJECT: **Full-Day Early Learning Kindergarten Program (FDK) –
Year 3 Capital Allocations**

As a follow-up to Memorandum 2011: B3, dated March 31, 2011, I am writing to outline the capital funding allocations to support Year 3 of the FDK implementation and to identify changes in the FDK capital funding program.

Year 3 FDK Capital Funding

On March 2, 2011, the Ministry announced the FDK capital funding to support Year 3 schools. This funding, determined through a school-by-school review of need, is intended to address major capital costs related to the implementation of the FDK (e.g., additions and major renovations). These projects are expected to be completed/opened and operating no later than the 2012-13 school year.

Please note that the approved capital funding is conditional upon the making of regulation by the Lieutenant Governor in Council (LGIC) to govern grants to school boards in their 2011-12 fiscal year, and an amendment by the LGIC of the 2010-11 Grants for Student Needs regulation.

Funding for First-Time Equipping and Minor Renovations

Please find attached in Appendix A the board-by-board FDK first-time equipping and minor renovation allocations for Year 3. The Year 3 first-time equipping and minor renovations funding will be added to school boards' total FDK capital allocation in the 2011-12 Grants for Student Needs.

The funding for Year 3 is based on the approach outlined in Memorandum 2010: B7, dated April 1, 2010. School boards are being allocated \$10,000 for every new Year 3 FDK classroom. The number of classrooms created is determined by taking the forecasted number of new Year 3 FDK pupil place funded by the Ministry and dividing by 26, which is the average FDK class size. The funding is intended to support first-time furniture and equipment purchases and to address minor renovations for FDK classrooms.

Similar to the Year 3 capital funding, this allocation is also conditional upon the making of regulation by the LGIC to govern grants to school boards in their 2011-12 fiscal year.

Temporary Accommodation Leases and Moves

Starting in the 2011-12 school year, school boards will be allowed to spend up to five per cent of their total FDK capital allocation as an operating expense for temporary accommodation (i.e., portables, portapak, non-permanent relocatable classroom modules) leases and relocations costs. However, in any one year school boards will be restricted to spending the greater of 2.5 per cent of their total FDK capital allocation or \$50,000, not to exceed their temporary accommodation funding room. This change provides school boards with greater flexibility to address their accommodation needs associated with the implementation of FDK.

With this change the Ministry is removing, in 2011-12, the ability of school boards to use their FDK capital allocation to fund capital leases for the purposes of addressing FDK space needs. To date, no school board has taken this approach to providing FDK accommodation.

Although school boards are ultimately responsible for the accommodation of students within their schools, the Ministry does not generally support the use of temporary accommodation for kindergarten students. However, in some cases, temporary accommodation may be needed for students in higher grades who may be displaced in order to accommodate FDK.

Eligible Uses for FDK Capital Funding

The Ministry has provided school boards with some flexibility on how they can use their FDK capital funding allocations to reflect that school boards' capital needs may change through the five-year implementation period of the FDK program. While the majority of the FDK capital funding is allocated on a school-by-school basis to reflect the FDK related space pressure at a school, school boards are not limited to spending this allocation at that school. The FDK school-by-school capital funding allocations are intended to create a pool of funds that a school board is expected to manage to address all of its FDK related capital needs.

An example of this flexibility is that school boards can use funding allocated for Year 3 schools at a Year 2 site, or vice versa. As well, school boards can use more or less FDK capital funding at a school than that school generated in the funding review process.

The two main limitations on FDK capital funding are that it can only be used to fund FDK related capital expenses (although a limited amount can be used for operating expenses for temporary accommodation moves and leases); and, the Ministry will not provide additional FDK capital funds for a school to deal with FDK capital needs that the board had previously been allocated funding to address.

Accountability Measures

FDK projects are required to follow the Ministry's accountability measures for capital projects with one exception: any FDK capital project that is less than \$250,000 in value does not require Ministry Approval to Proceed with the project.

School boards are required to track major capital projects (i.e., greater than \$250,000) in the funded project section of the School Facilities Information System.

School boards are also reminded that they need to retain adequate records to support all of their expenditures in the event of an audit.

Financial Reporting

The FDK capital program operates on a modified grant payment process, where cash flow is based on school board spending. School boards are reminded that there are two annual FDK capital reporting periods:

- for the period of September 1 to March 31 FDK expenditures are recorded in March Reports, and
- for the period of April 1 to August 31 FDK expenditures are recorded in the Financial Statements.

School boards will also be funded short-term interest costs related to these investments reflecting that cash flows will occur on a bi-annual basis. The short-term interest payments will be calculated in a similar manner as they are for other eligible capital programs.

Should you have any questions regarding this issue, please contact your capital analyst or me at 416-325-1705 or Grant.Osborn@ontario.ca.

We look forward to continuing to work with you as we move forward implementing Ontario's FDK initiative.

Sincerely,

A handwritten signature in black ink, appearing to read 'G Osborn', with a long horizontal flourish extending to the right.

Grant Osborn
Director (A)
Capital Policy Branch

c: Directors of Education

Appendix A: Full-Day Early Learning Kindergarten Program (FDK) First-Time Equipping and Minor Renovation Allocations for Year 3

DSB Name	Year 3 Equipping Allocation
Algoma District School Board	\$140,000
Algonquin and Lakeshore Catholic District School Board	\$150,000
Avon Maitland District School Board	\$200,000
Bluewater District School Board	\$240,000
Brant Haldimand Norfolk Catholic District School Board	\$140,000
Bruce-Grey Catholic District School Board	\$50,000
Conseil de district des ecoles publiques de langue francaise No 59	\$190,000
Conseil scolaire de district catholique Centre-Sud	\$290,000
Conseil scolaire de district catholique de l'est Ontarien	\$160,000
Conseil scolaire de district catholique des Aurores boréales	\$10,000
Conseil scolaire de district catholique des Grandes Rivières	\$80,000
Conseil scolaire de district catholique du Centre-Est de l'Ontario	\$350,000
Conseil scolaire de district catholique du Nouvel-Ontario	\$110,000
Conseil scolaire de district catholique Franco-Nord	\$30,000
Conseil scolaire de district des écoles catholiques du Sud-Ouest	\$200,000
Conseil scolaire de district du Centre Sud-Ouest	\$200,000
Conseil scolaire de district du Grand Nord de l'Ontario	\$20,000
Conseil scolaire de district du Nord-Est de l'Ontario	\$40,000
District School Board of Niagara	\$480,000
District School Board Ontario North East	\$90,000
Dufferin Peel Catholic District School Board	\$1,030,000
Durham Catholic District School Board	\$280,000
Durham District School Board	\$990,000
Eastern Ontario Catholic District School Board	\$160,000
Grand Erie District School Board	\$340,000
Greater Essex County District School Board	\$470,000
Halton Catholic District School Board	\$390,000
Halton District School Board	\$870,000
Hamilton-Wentworth Catholic District School Board	\$370,000
Hamilton-Wentworth District School Board	\$680,000
Hastings and Prince Edward District School Board	\$200,000
Huron-Perth Catholic District School Board	\$60,000
Huron-Superior Catholic District School Board	\$70,000
Kawartha Pine Ridge District School Board	\$450,000
Keewatin-Patricia District School Board	\$60,000
Kenora Catholic District School Board	\$20,000
Lakehead District School Board	\$150,000

DSB Name	Year 3 Equipping Allocation
Lambton Kent District School Board	\$300,000
Limestone District School Board	\$280,000
London District Catholic School Board	\$250,000
Near North District School Board	\$120,000
Niagara Catholic District School Board	\$310,000
Nipissing-Parry Sound Catholic District School Board	\$40,000
Northeastern Catholic District School Board	\$30,000
Northwest Catholic District School Board	\$30,000
Ottawa-Carleton Catholic District School Board	\$480,000
Ottawa-Carleton District School Board	\$1,000,000
Peel District School Board	\$2,280,000
Peterborough Victoria Northumberland and Clarington Catholic DSB	\$190,000
Rainbow District School Board	\$160,000
Rainy River District School Board	\$20,000
Renfrew County Catholic District School Board	\$60,000
Renfrew County District School Board	\$130,000
Simcoe County District School Board	\$690,000
Simcoe Muskoka Catholic District School Board	\$240,000
St. Clair Catholic District School Board	\$130,000
Sudbury Catholic District School Board	\$70,000
Superior North Catholic District School Board	\$10,000
Superior-Greenstone District School Board	\$10,000
Thames Valley District School Board	\$1,020,000
Thunder Bay Catholic District School Board	\$100,000
Toronto Catholic District School Board	\$1,110,000
Toronto District School Board	\$4,060,000
Trillium Lakelands District School Board	\$210,000
Upper Canada District School Board	\$360,000
Upper Grand District School Board	\$450,000
Waterloo Catholic District School Board	\$280,000
Waterloo Region District School Board	\$870,000
Wellington Catholic District School Board	\$110,000
Windsor-Essex Catholic District School Board	\$260,000
York Catholic District School Board	\$770,000
York Region District School Board	\$1,500,000