

**7.****EDUCATION -  
PLANNING FOR SCHOOL CAPITAL EXPENDITURES****BACKGROUND**

**7.1** Since 1992, the School Capital Construction Committee (SCCC) has recommended school capital construction and renovation projects for approval by Executive Council. The 1997 Report of the Committee recommended 31 new school projects, five major addition/alteration projects and 57 repair/renovation projects. Over the next three years activity was concentrated primarily on the construction of new schools through the public-private partnership (P3) process at a cost now estimated to exceed \$350 million. The number of capital addition/alteration and repair/renovation projects carried out was fewer than planned because funding was not available.

**7.2** Since the 1997 SCCC Report was issued, Executive Council approved the construction of 18 new schools with an estimated cost of \$229.6 million. These schools will not be constructed through the P3 process as the Province has made a commitment to return to more traditional methods of designing, constructing and financing schools. Exhibit 7.1 summarizes school capital expenditures (excluding P3) from 1997-98 to 2001-02.

**7.3** The School Capital Construction Committee was inactive following release of its 1997 Report. The Committee was reestablished in 2000 and in its December 2000 Report draft recommended approval of 85 school capital projects with an estimated cost of \$348.2 million. The 2000 Report has not yet been approved by Executive Council. See Exhibit 7.2 for a summary of recommendations, approvals and financial information.

**7.4** Prior to this audit, our most recent audit of school capital construction was a 1997 review of Public-Private Partnerships (P3's) for School Construction which was followed up in our 1998 and 1999 Reports (see page 78 of 1997 Report of the Auditor General, page 85 of 1998 Report, and page 64 of 1999 Report).

**RESULTS IN BRIEF**

**7.5** The following are our principal observations from this audit.

- The Department of Education's process for school capital planning and project approval, as described to us by management, appears adequate. Some aspects of the process, such as evaluation of individual projects against criteria, have not been well documented. For the process to be transparent, the Department of Education should document major steps such as evaluation of potential projects against pre-established criteria.
- The School Capital Construction Committee presented its draft Report to Executive Council on June 12, 2001. The Report has not yet been approved as Executive Council required further information from the Committee.
- The Department established the space requirements for seven schools contracted out in October 2000 without benefit of a complete set of space programming guidelines.

Department staff used a number of documented sources, professional judgement and experience when drafting the school space requirements. We recommend the Department maintain updated space programming guidelines.

- The January 12, 2001 Memorandum of Understanding provides a good accountability framework for the interdepartmental relationship between the Departments of Education and Transportation and Public Works for the school capital construction process. Due to the interrelatedness of the roles and responsibilities described in the MOU, a post-mortem assessment of the previous year's projects needs to be conducted annually and the MOU adjusted, if necessary, to ensure continued operational effectiveness.
- Status reports on capital construction projects are essential for the Department of Education to effectively manage cash flow and to ensure that projects are being constructed within approved budgets. The Department of Transportation and Public Works should ensure that formal status reports are both timely and complete.
- Internal Department of Education reports indicate that a serious deferred maintenance problem currently exists in Nova Scotia schools. To ensure that this problem does not escalate further, the Department of Education should begin to monitor Regional School Board spending on preventive maintenance to ensure that adequate funds are being directed toward this area and spent in the most effective manner.

## AUDIT SCOPE

**7.6** Our audit included a review of the roles, responsibilities, systems and processes controlling school capital projects administered by the Department of Education. We did not examine the project management functions of the Department of Transportation and Public Works or visit Regional School Boards.

**7.7** We tested the review and approval process for a small sample of projects recommended by the School Capital Construction Committee in its December 2000 Report draft. We examined the monitoring and control of actual expenditures for capital addition, renovation and repair projects during 1997 to 2000. We also examined the development of the Department's 2001-02 annual capital budget. We did not examine project approval or monitoring and control processes for P3 projects.

**7.8** The objectives of this assignment were to:

- review school capital planning systems and processes, including the processes for establishing cost estimates and budgets;
- assess the process for evaluating and approving school capital projects;
- review and assess the Department's annual capital budgeting process;
- review and assess the reporting, monitoring and control over individual capital projects and over the Department's annual capital budget; and
- assess accountability reporting by school boards, the Department and others to provide for due regard for economy and efficiency in relation to capital expenditures and capital assets.

**7.9** The audit criteria were taken from recognized sources including the Canadian Institute of Chartered Accountants' *Accounting Handbook* and Criteria of Control Board's *Guidance on Control*, Office of the Auditor General of Canada's *Audit Guide, Financial Management Capability Model* and *Modernizing Accountability Practices in the Public Sector*, and Office of the Provincial Auditor of Ontario's *1998 Special Report on Accountability and Value for Money - Acquisition and Management of Elementary and Secondary School Facilities*.

## PRINCIPAL FINDINGS

### *Setting Priorities for School Construction*

**7.10** *Long-term capital plans* - The Province's framework for recommending school capital projects is based on the School Capital Construction Committee process in the Department of Education. This Committee was established in 1992.

**7.11** The Committee was to prepare an annual report recommending a prioritized program of new capital construction, addition/alteration, and repair/renovation projects. The Committee last prepared a report in 1997. Since that time, the process was held in abeyance as there was a significant level of activity with school construction projects built under the public-private partnership process.

**7.12** The SCCC Report, and the projects recommended, form the basis for the Province's long-term capital plan, or construction program, for schools. The projects on the plan require approval by Executive Council prior to being recommended for funding in a given year by the Tangible Capital Asset Prioritization Committee which is described in Chapter 4 of this Report.

**7.13** *Executive Council approvals* - On June 29, 2000, without benefit of the SCCC process and recommendations, Executive Council approved the construction of 17 schools over a four-year period. The approval for the construction of one school was subsequently rescinded. The estimated cost of construction for the remaining 16 schools was \$191.3 million. Further approvals of two additional schools brought the estimated cost of construction to \$229.6 million for the 18 schools. Seven of these schools are now either completed or near completion as the contracts were tendered and awarded in the fall of 2000. See Exhibit 7.2 for a historical summary of Executive Council approvals for school capital construction.

**7.14** We have been advised the construction of these 18 schools had been under consideration for some time by senior Department management who are no longer with the Department. Current Department management have not been able to provide documentation describing the rationale for recommending these projects or indicating criteria for evaluating project proposals. We have been advised these projects were likely recommended for one of three reasons - the recent Supreme Court decision reinforcing the right of Acadian-entitled students to be educated in a French only environment required new schools to be built in certain areas; project plans were now more firmly established for schools first proposed in 1997; and environmental conditions at certain schools were now beyond the point of remediation. There were delays in requesting Executive Council approval as the P3 process was being reviewed by government.

**7.15** *2000 draft Report of the School Capital Construction Committee* - When approving the 18 schools described in paragraph 7.13, Executive Council requested that the School Capital Construction Committee review school capital requirements and prepare a report for government's consideration for December 2000. The Report was to contain a revised list of school capital construction projects and recommendations on a long-term policy to govern selection and funding of capital projects.

**7.16** *2000 SCCC process* - In September 2000, each Regional School Board was requested to prepare a Capital Construction Report containing prioritized lists of new construction and renovation/upgrade projects. The total value of these requests was \$655 million of which \$348.2 million was recommended by the SCCC. The Boards were to evaluate and prioritize project requests using the criteria provided by the SCCC. The SCCC would then evaluate all Regional School Board requests using a more global Provincial perspective. These criteria were first developed when the SCCC was established in 1992 and have been refined over the years. See Exhibit 7.3 on page 131 for a list of the criteria. As a group, Committee members visited the higher priority projects in November and early December 2000. During these visits, notes were taken for future reference by Committee members. We reviewed these notes and found observations on the condition of the facility visited and its ability to provide suitable program space for the delivery of the school program.

**7.17** The selection process, as described to us by Department of Education management, appears adequate but due to a lack of documentation we cannot conclude that the process was used by the Committee in producing the December 2000 Report. We were not provided with documentation showing the evaluation of each project against the pre-determined criteria or the ranking of projects based on this evaluation. Department of Education management advised us that Committee discussions focused on the ranking of projects, and that the detailed evaluation against criteria was not documented because of the short time frame available. We recommend the Committee ensure this important process is transparent by fully documenting the evaluation and selection process.

**7.18** *Status of draft report* - The Committee presented its draft Report to Executive Council on June 12, 2001. The Report has not yet been approved as Executive Council requires further information from the Committee. The Department has established a process to obtain this information. The draft Report contains a prioritized list of school capital construction projects excluding the 18 schools previously approved by Executive Council.

**7.19** As requested by Executive Council, the Committee recommended a long-term policy to govern selection and funding of capital projects. The recommended policy is basically the same as the current one, except that the School Capital Construction Committee should be provided with more detailed, accurate and timely information on school capital requirements. The Committee suggested enhanced information could be provided through:

- establishing a committee to
  - develop standards to evaluate existing school infrastructure and its potential to provide a healthy, safe and efficient learning and working environment;
  - study school utilization and work with Regional School Boards on strategies to use the existing school infrastructure as efficiently and effectively as possible; and
  - ensure a profile of existing facilities is developed.
- developing and funding a program to address the deficiencies in the major building components;
- giving the SCCC the mandate to begin the school capital review in April to allow the process to generate more comprehensive information on school capital projects including more involved evaluations of facilities and better cost analysis.

**7.20** *2001-02 Estimates* - The Department was assigned a budget allocation of \$19.0 million in 2001-02 for addition/alteration, repair/renovation and replacement of defective joists projects. As the SCCC Report had not been approved, the Department was not able to proceed with the projects recommended in the Report. This funding was allocated amongst Regional School Boards based on enrolments. Department management approved the projects submitted based on a combination of the Board-assigned priority and available funding. We were not provided with documentation supporting this process, but we have been advised that the prioritized list of projects recommended to Executive Council for approval focused on building envelope and health and safety concerns.

### ***School Programming and Design Standards***

**7.21** On May 9, 2000, the Priorities and Planning Committee (subsequently restructured as Treasury and Policy Board) approved in principle design changes for schools being built in the future. These changes were expected to reduce the overall cost of new school construction while still allowing for delivery of the full school program. On June 29, 2000, these design changes were authorized for use when the 17 schools were approved for construction.

**7.22** *School programming* - New school projects, prior to design and construction phases, must be programmed. This involves an assessment of the enrolments and the grade configuration of the student population. These factors determine the number of regular classrooms and the number and type of special classrooms needed (e.g. labs, learning resources). This results in an inventory of space for the program. The building total square footage is determined by applying a historical gross-to-net ratio to the educational program space.

**7.23** Depending upon how the project is managed, programming a school is the responsibility of either the Department of Education or a contracted professional. In the case of the seven schools contracted in October 2000, this was the responsibility of the Department of Education. The Department programmed these schools without benefit of a complete, documented set of program specifications. Department staff used a number of documented sources, professional judgement and experience when drafting the school space allocation program. We recommend the Department maintain updated program specifications.

**7.24** The final school space allocation program is determined in consultation with the School Steering Team. Adjustments may be made, but the total educational program area is to remain constant. The school programmer requests approval from the Deputy Minister for any significant increases in educational program area.

**7.25** We examined a sample of school space allocation programs to ensure the school was programmed in accordance with program specifications. Our review did not reveal any significant discrepancies.

**7.26** *Design standards* - A School Design Requirements Manual is maintained by the Department of Transportation and Public Works. It was developed with input from the Department of Education, Regional School Boards and private sector professionals. It identifies the minimum acceptable design and construction standards for schools built in Nova Scotia.

**7.27** This Manual forms part of the tender documents package provided to bidders for projects tendered by the Department of Transportation and Public Works. Transportation is responsible to ensure these design standards are complied with.

### ***Budgets for School Construction Projects***

**7.28** *School budgets* - When recommending a school project for approval by Executive Council, the Department estimates a cost for the project. The estimate is based on the same two factors used to determine the school space allocation program - proposed enrolment and grade level configuration. The square footage is first determined through use of historical rates of square footage per proposed enrolment, then a historical rate of cost per square foot is applied.

**7.29** The estimated cost will subsequently be updated if either of the two factors, enrolment or grade level configuration, changes. This estimated cost is carried through to the funding submission to the Tangible Capital Asset Prioritization Committee.

**7.30** The estimated costs of construction for the 18 schools approved by Executive Council were determined by senior Department management who are no longer with the Department. Current management has not been able to provide documentation showing how the estimated costs were determined. They have attempted to gain assurance as to the reasonableness of the costs by applying the methodology currently used to estimate costs. There are discrepancies for some schools, but the Department has gained some assurance that the estimated costs, in total, are reasonable.

**7.31** Following programming of the school and subsequent tendering, the Department of Transportation and Public Works develops a detailed budget for the project within the funding approved. The detailed budget includes contingencies related to contracts. This is the budget against which actual costs are monitored.

**7.32** Not all of the 18 schools approved by Executive Council have been tendered. As with P3 schools, contracts for these schools are being tendered in bundles as the Department believes this provides cost savings for the Province. For the seven schools contracted out in October 2000, as a bundle, the Department is forecasting actual expenditures will not exceed the cost estimate.

### ***Roles of Departments of Education and Transportation and Public Works***

**7.33** *Background* - During the 2000-01 fiscal year, the Province conducted a review of the existing school construction and renovation process which identified a number of shortcomings. As a result of this review, a decision was made to consolidate the responsibility for educational school programming in the Department of Education and the responsibility for the design, construction, and procurement of all future schools with the Department of Transportation and Public Works. A new working relationship was to be developed that recognized the Department of Education (and ultimately the Regional School Boards and the community) as the client, and the Department of Transportation and Public Works as the service provider.

**7.34** *Memorandum of Understanding* - On January 12, 2001 a Memorandum of Understanding (MOU) between the Departments of Education and Transportation and Public Works was signed by the respective Deputy Ministers. The intention of the MOU was to confirm the new interdepartmental relationship, clearly define departmental roles, and outline the general service expectations for each department in the delivery of new and major renovated school facilities.

**7.35** The MOU includes a section outlining the general roles and responsibilities of major stakeholders in the school capital construction process. The responsibility for establishing and managing budgets and acquiring funding from Executive Council rests with the Department of Education. The Department of Education is also responsible to determine program needs, in consultation with Regional School Boards, and ensure that the design of the school incorporates the identified needs. The Department of Transportation and Public Works is generally responsible to act as project manager for the design and construction phases of the projects. Regional School

Boards are responsible for the development of demographics and needs analysis in support of the educational requirements of the communities. Regional School Boards are also responsible for school maintenance, upgrades and operation.

**7.36** The MOU provides a good description of the roles and responsibilities for the major stakeholders in school construction and should serve as a general framework to guide interdepartmental relationships between the Departments of Education and Transportation and Public Works. One of the problems with the current MOU is that the responsibilities of having a school built on time, within budget, meeting the needs of the intended users, and meeting contract specifications are split between departments. This can cause operational conflicts.

**7.37** The approval of contract change orders related to unanticipated expenditures is an example of where these different responsibilities have led to operational problems and misunderstandings between departmental staff. The Department of Transportation and Public Works, as project manager, needs to approve and process change orders quickly so as not to delay the project. The Department of Education is often concerned that the change orders are adding expenditures to already tight budgets and in some cases have interpreted the contract details to have already included the items on the change orders.

**7.38** Due to the significance of school construction expenditures, we recommend that the departments evaluate the interdepartmental working relationship on an annual basis with the goal of addressing potential problem areas and adjusting the MOU as required. We also recommend that contract details be clarified in the areas where interpretation problems have existed in the past.

**7.39** *School construction & renovation status reporting* - One of the roles and responsibilities of the Department of Transportation and Public Works, as outlined in the MOU, is to provide periodic progress and cost reporting to the Department of Education. Subsequent to the signing of the MOU, the Department of Education provided detailed instructions to the Department of Transportation and Public Works requesting that status reports be supplied on a monthly basis starting in February 2001, for all school projects regardless of size or state.

**7.40** As part of our audit, we conducted interviews with management of the Departments of Education and Transportation and Public Works focusing on status reporting for school construction projects. We also reviewed a sample of Department of Transportation and Public Works status reports for the month of August 2001. We noted from our interviews with Department of Education management that status reports were not being received from Department of Transportation and Public Works as requested, and that the reports did not contain all the required information. This was confirmed through our examination of the August 2001 status reports.

**7.41** Department of Education management stated that the information to be included in the status reports is very important to effectively manage the cash flow and to ensure that school capital construction projects are completed within the approved budget. Department of Transportation and Public Works management agreed that formal status reporting has not always been provided as requested, but believe that through weekly meetings and other informal communications with Department of Education staff, Transportation communicates all significant issues relating to current projects. The Department of Transportation and Public Works is aware of the need for more accurate forecasting of the timing of expenditures for each project and is in the process of addressing this issue. We recommend that formal status reports on all school construction projects be prepared by Department of Transportation and Public Works as requested by Department of Education.

**7.42** Included in the MOU is the requirement for a formal business plan to be prepared jointly by each stakeholder department for every school or bundle of schools being constructed. These business plans are currently not being drafted. Detailed business plans would be effective

operational tools to communicate expected operational results, construction schedules, projected cash flow needs, and other resource requirements. The business plans would provide a basis for control to hold both departments accountable for expected results. We recommend that business plans be prepared for all school construction projects as required by the MOU.

### ***Accountability of School Boards***

**7.43** *Renovations and repairs* - For the 2001-02 fiscal year, Executive Council approved \$19.0 million for specific renovations and repairs to existing schools. Project management was performed by the Regional School Boards. Department of Education established funding guidelines including requirements for accountability reporting. Based on discussions with Department of Education management, and our examination of a sample of status reports, accountability reports are being received as required.

**7.44** *Preventive maintenance* - Section 64 (1) of the Education Act dictates that Regional School Boards are accountable to the Minister. Regional School Boards have property service responsibilities under section 64 (2) of the Education Act. In the past, funding provided to Regional School Boards had been targeted specifically for property services. In 1996, the Department of Education began to allocate funding on a global basis eliminating targeted funding.

**7.45** Internal Department of Education reports prepared by staff indicate that there is currently a serious deferred maintenance problem in the Province's schools resulting from an inadequate level of spending on annual preventive maintenance. Although funding provided to Regional School Boards is not targeted for a specific use, the Department of Education expects that an adequate amount of the global funding will be spent on school preventive maintenance. An effective annual preventive maintenance program for schools has the potential to prolong the useful life of a school and reduce additional deferred maintenance costs in the future. Although the Regional School Boards are responsible for preventive maintenance, once a school deteriorates to the point where the school needs major renovations or replacement, this then becomes the responsibility of the Department of Education.

**7.46** The Department of Education does not require reporting by Regional School Boards in respect to preventive maintenance expenditures on schools. The only required reporting is the assessment of capital needs for the School Capital Construction Committee. At the present time, the Department of Education does not assess expenditures made by Regional School Boards to ensure that an appropriate level of preventive maintenance work is being performed or whether the funds have been spent in the most effective manner. Reports on the condition of schools by Education Officers, as required under Section 142 (2) of the Education Act, are not being prepared. We recommend that the Department of Education monitor preventive maintenance spending by Regional School Boards on an ongoing basis.

**7.47** Department of Education staff, along with property services management from the Regional School Boards, share school maintenance best practice information through regular meetings of the School Property Services Action Team. The Department of Education and the Regional School Boards also jointly purchased a computer software program to assist the Regional School Boards in work order scheduling and evaluating how preventive maintenance dollars would be most effectively spent. Department of Education management has stated that this software is in various stages of implementation at the Regional School Boards.

**CONCLUDING REMARKS**

**7.48** Over the past four years, the Province has approved 49 school construction projects at an estimated cost of \$580 million and the School Capital Construction Committee has recommended additional schools in its recent draft report. Our audit of the planning for this significant expenditure indicated there is a need to improve documentation of the prioritization and approval processes. In addition, we recommended improvements to the process for deciding on the specific facilities required in the new school once the program needs of the identified school population are known.

**7.49** The Departments of Education and Transportation and Public Works play important roles in the school construction process. The roles, responsibilities and accountability requirements have been defined in a Memorandum of Understanding. Not all of the accountability requirements included in the Memorandum are currently being met, and we recommend improvements to the information flow between the two departments to ensure that both departments have the information required to perform their responsibilities.

**7.50** There is currently a serious deferred maintenance problem with the Province's public schools. The severity of this problem makes it very important for the Department of Education to ensure a reasonable amount of the funding provided to Regional School Boards is directed at preventive maintenance and that those funds are spent in the most effective manner.

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**Exhibit 7.1**

<b>SCHOOL CAPITAL EXPENDITURES (EXCLUDING P3) (UNAUDITED)</b>					
	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02 (Estimate)</b>
New School Construction	\$0	\$0	\$0	\$ 5,320,657	\$62,500,000
Additions & Alterations	7,431,760	15,900,651	12,451,383	15,122,483	1,030,000
Repairs & Renovations	14,655,943	4,399,650	9,487,384	9,752,208	22,970,000
<b>Totals</b>	<b>\$ 22,087,703</b>	<b>\$ 20,300,301</b>	<b>\$ 21,938,767</b>	<b>\$30,195,348</b>	<b>\$86,500,000</b>
<i>Note: Information provided by Department of Education and not audited by Office of the Auditor General.</i>					

**Exhibit 7.2**

<b>SCHOOL CAPITAL CONSTRUCTION APPROVALS/RECOMMENDATIONS</b>			
	<b>New School Construction (#)</b>	<b>Renovations/Repair and Additions/ Alterations (#)</b>	<b>Estimated Cost (\$ millions)</b>
SCCC 1997 Report	31	62	\$350.0 <sup>3</sup>
OIC 2000-359 (June 29, 2000) <sup>1</sup>	16	0	191.3
OIC 2000-417 (August 11, 2000)	0	2	14.0
OIC 2000-591 (November 17, 2000)	1	0	12.3
OIC 2001-243 (May 25, 2000)	1	0	26.0
OIC 2001-295 (June 22, 2001)	0	69	12.2
OIC 2001-365 (July 26, 2001)	0	81	6.8
<b>Total School construction approved since Dec. 1997</b>			<b>\$612.6</b>
2000 SCCC Report <sup>2</sup>	12	73	\$348.2
<i>Note 1: Original OIC 2000-359 approved 17 new schools. Petit de Grat school was rescinded through OIC 2000-422 on August 24, 2000.</i>			
<i>Note 2: The 2000 SCCC Report has not been approved by Executive Council.</i>			
<i>Note 3: The SCCC Report estimated a lower cost based on fewer schools but the most recent forecast is \$350 million for the schools actually constructed under public-private partnership arrangements.</i>			

*Exhibit 7.3*

**SCCC PROJECT EVALUATION CRITERIA  
FROM REPORT OF THE SCCC - DECEMBER 2000  
(Appendix C, Pages 28-30)**

In general, the criteria for deciding which school capital construction projects will be undertaken, fall into four broad categories:

(1)	Condition of (Existing) Buildings	30
(2)	Capacity	30
(3)	Core Programs and Courses	25
(4)	Efficiency	15

A maximum point value is assigned for each of the four categories totaling 100. In evaluating each project, the greater the need identified in each category, the greater the point value assigned that category. The review process involves repeated examination and ranking until such time as a definite list of projects, in order of numerical ranking and hence priority, is achieved - that is, the project with the greatest number of points would be the top priority.

The following criteria shall be used by the board to establish the requirements for a school capital project

**1) Condition of Existing Buildings**

The condition of existing buildings is also an important part of the decision-making process. The health and safety of children from an environmental and hygiene point of view, combined with their safety and comfort from a building structural and condition point of view, are as integral to the educational process as is much subject matter. As well, the integration of students with a full range of physical and mental abilities in our educational process necessitates the complete accessibility of schools and school premises. Aesthetics, quality and building atmosphere may be factors to be considered.

Factors considered by the committee when ranking projects under this criteria were those that required expenditures costing more than regular maintenance and repair procedures.

The condition ranking could be influenced by a lack of capacity which could cause a health and safety concern resulting from overcrowding. Schools that are not well equipped with regard to the foregoing will receive a high rating.

**2) Capacity**

The availability of space in a school, school sub-system or district to house the students who have a right to education is a critical factor. Generally, individual schools will have a design capacity or there will be other regulations or legislation which will place an upper limit on the number of students that can be housed in any one building. However, boards should seriously consider adjusting school boundaries to overcome overcrowding problems or to offer a more efficient and effective program of studies to students. This may not always be a popular decision to make but it might, taken in context, be the proper decision.

The capacity ranking could be influenced by a severe building condition problem which could result in the closure of a school and there are no alternate facilities available to accommodate the affected students.

**3) Core Programs and Courses**

This category addresses one basic question: Can the core program and courses be offered in the school, the sub-system, the district or in a (close proximity) neighbouring district? The PSP or other legislation should be cited in justification for this criteria.

If the answer to this question is affirmative, the project will get a very low rating unless there are mitigating circumstances such as linguistic considerations. If these needs cannot be met, the request will get a higher rating.

**4) Other Efficiency Factors**

Much of the foregoing touches on efficiency of operations. In some cases, for example, there may be a real cost benefit or cost avoidance in consolidating schools. Reducing the overall square footage of schools and/or reducing bussing costs should be considered here. Staff reductions or allocation as a result of consolidation is a significant efficiency.

By the same token, the program benefit may be more significant than the cost benefit but combined would create real and meaningful benefits. Program delivery options, such as correspondence, distance education technology, semestering and other efficiencies, could enhance the educational experience for a number of students while, at the same time, address our ever shrinking resources.

Projects that could benefit from these measures will be given greater numerical ranking.