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**2006 : B2**

**MEMORANDUM TO:** Directors of Education  
Secretary/Treasurers of School Authorities

**FROM:** Nancy Naylor  
Assistant Deputy Minister  
Business and Finance Division

**DATE:** February 23, 2006

**SUBJECT:** **Amendments to the 2005-06 Grants for Student Needs**

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I am writing to advise you of the in-year amendments to the 2005-06 Grants for Student Needs (GSN) which recognizes funding policy decisions made after the initial release of the GSN in June 2005 as well as other technical issues.

The amendments related to policy decisions outline the capital funding approaches to Primary Class Size and allocation of funding to French-language school boards.

The technical issues include refining the "Timing of Entitlement" policy to recognize the other accepted uses of the Grants for New Pupil Places funding; and adjusting the Good Places to Learn Stage 1 allocations and Table 20 Rural Schools to reflect updated information received from school boards regarding open and operating schools as well as closed schools.

This memo also provides additional information regarding updates to the Capital Plans that boards are required to submit to the Ministry.

### **Primary class size**

As noted in Memorandum 2005:B5 of June 16, 2005, the government has committed to making up to \$36 M available in 2005-06 for primary class size capital needs.

Capital funding to address the cap on primary class size is being allocated to boards through two approaches: formula-based funding and school-based funding.

## ***Formula-Based Funding Allocation***

In order to support the reduction in primary class-size, some boards will need to begin extensive construction programs in the 2005-06 academic year in order to realize full implementation in 2007-08. Formula-based funding is available to boards that have demonstrated board-wide high utilization and a demonstrated, sustained need for additional capital resources to support the reduction in primary class size. These boards have been identified as those that meet the following two criteria:

- Current utilization of available elementary instructional capacity is 90% or greater; and
- 10-year elementary enrolment projections (ADE) remain consistently above the current capacity used to calculate the Grant for New Pupil Places

For these boards, primary class size capital needs will be managed as an integrated approach to overall growth pressures within the boards' jurisdiction. The capital entitlement for these boards will flow through the existing mechanisms of the Grant for New Pupil Places as outlined below.

## ***School-Based Funding Allocation***

The Ministry recognizes that some boards may also have localized needs for capital investment in order to create additional classroom space to facilitate the cap on primary class size.

The Ministry expects boards, as part of the long-term capital planning processes currently underway, to assess this need, and where feasible, identify capital requirements that may arise as a result of a board's primary class size accommodation strategy. Where capital requirements are identified by the board and approved by the Ministry, funding to address the need will be provided.

## ***Reporting***

A refinement to the New Accommodation section of the capital planning tool will enable boards to identify capital projects (in whole or in part) attributed specifically to the cap on primary class size.

The Primary Class Size module located within the Program-Related Capital section of the capital planning tool has been expanded to include a *Primary Class Size Capital Criteria* section. In this section, all boards are required to identify the specific criteria that have been met and/or exhausted to address space needs arising as a result of the cap on primary class size. These criteria include examining options such as boundary or program changes, the use of portables or other temporary accommodation, or leasing space as an alternative to building permanent space to accommodate students.

The reports that form part of the New Accommodation section of the capital planning tool (i.e. New Schools, Additions, Leases, Portables, Portapaks, Relocatable Classroom Module) have been expanded to include a *Primary Class Size* section. Under this section, boards are required to identify planned or projected new construction projects that address accommodation pressures associated with the cap on primary class size, including estimated costs.

The Ministry will review the Primary Class Size aspects of boards' capital plans on a priority basis and will issue an approval for Primary Class Size capital funding where supported by a board's circumstances after having received the capital plans. Ministry staff may require meetings with board staff to discuss the board's approach to ensuring the appropriate accommodation for implementing the cap on Primary Class Size by 2007-08.

Once a board's Primary Class Size capital needs have been approved by the Ministry, a report documenting the needs will be sent to the board for its approval. The signed report is to be sent back to the Ministry along with a copy of a board resolution indicating that the Primary Class Size funding will only be applied to Primary Class Size capital projects.

### ***Revised Funding Benchmarks***

As a result of the cap on Primary Class Size, two revised benchmarks used in the calculation of the Grant for New Pupil Places are being introduced in 2005-06.

	<b>Existing Elementary Benchmark</b>	<b>Revised Elementary Benchmark (Primary Class Size)</b>
<b>Kindergarten Classroom Capacity Loading (NPP)</b>	24	20
<b>Elementary Classroom Capacity Loading (NPP)</b>	24.5	23
<b>Elementary Benchmark Area Requirement</b>	9.29 m <sup>2</sup> (100 ft <sup>2</sup> )	9.7 m <sup>2</sup> (104 ft <sup>2</sup> )

### **Timing of Entitlement**

The 2005-06 Grants for Student Needs introduced the "Timing of Entitlement" by limiting a board's Grant for New Pupil Places to those pupil places that the board reported as being completed, under construction or at tender. The amendment enables the flow of Grants for New Pupil Places to eligible boards in recognition of costs associated with:

- temporary accommodation such as portables or leased facilities;
- non-loaded permanent additions such as the gym or library;
- the construction of facilities using revenues generated through the opposite panel such as elementary schools funded with secondary revenue; and,

- debt servicing costs related to projects funded through the Grant for New Pupil Places (including sites that are not growth-related and Education Development Charge-eligible)

As a result of this amendment, boards will receive the lesser of their annual allocation entitlement as calculated through the Grant for New Pupil Places and the sum of their reported New Pupil Place construction commitments (on an annualized basis) up to a maximum of the total Grant for New Pupil Places entitlement. The reported New Pupil Place construction commitments for both the elementary and secondary panels are to be included as outlined below:

1. Total number of pupil places reported completed, under construction, or at tender
2. The total expenditure in 2005-06 reported in the School Facilities Inventory System (SFIS) for the addition of non-loaded permanent instructional space will be calculated to reflect the annual amortized value based on the Ministry's current funding benchmarks for new construction.
3. The total annual cost of purchase or lease of temporary accommodation such as portables as reported by boards through the "Portable" and "Lease" reports in the SFIS.
4. The total expenditure in 2005-06 to lease permanent accommodation as reported by boards through the "Portable" and "Lease" reports in the SFIS.
5. The total debt servicing costs associated with financing for New Pupil Place capital construction. In order to ensure that boards continue to have the ability to meet their annual debt obligations, boards are required to report their long-term financing through the newly introduced, "Long-term Capital Financing Report" in the SFIS.

In keeping with the Ministry's Timing of Entitlement accountability measure, funding allocations for New Pupil Places were tied to reporting dates of September 30, 2005 and March 31, 2006. The amendment to the 2005-06 Grants for Student Needs changed the September 30, 2005 date to October 14, 2005.

#### **Good Places to Learn - Stage I Funding**

Memorandum 2005:B4 of March 18 advised boards of the detailed calculations used to allocate Stage I funding for the Good Places to Learn. Boards were asked to identify errors in identification of operating schools. As a result of this feedback as well as changes in boards' inventory of schools, Stage I allocations have been adjusted. Final allocations are provided in Table 1 which is attached. An amended version of the paper listing facilities with urgent and high needs projects is available on the Ministry's FTP site at <ftp://ftp.edu.gov.on.ca/sfis/facilities-policy-review>.

#### **Good Places to Learn - Short-Term Interest Rates**

The amendment to the 2005-06 Grants for Student Needs also implements the approach to funding boards for short-term interest costs incurred to support expenditures under the Good Places to Learn Stage 1 initiative as outlined in B Memo 2005:B7 issued to boards on August 30, 2005.

## **Rural Schools**

The list of rural designated schools in Table 20 of the GSN regulations has been changed as a result of updated information received from school boards. Accordingly, Table 3 Closed Distant Schools, Table 4 New Distant Schools, and Table 5 Distant Schools Adjustment, have also been updated.

## **Capital Plan Website**

As indicated in the January 12, 2006 SB02 memorandum regarding the Capital Plan Website, the deadline for submissions of board capital plans through the Capital Planning Website was January 31, 2006.

Boards will note that there have been changes made to individual modules of the Capital Planning tool to address the policy amendments outlined above, as well as general suggestions that boards have made. Ministry staff will be working with you throughout the analysis process.

## **French-Language School Boards**

As announced with the release of the 2005-06 Grants for Student Needs, the government is providing an increase of \$20M to French-language school boards for the 2005-06 school year, to reduce assimilation and improve the literacy and numeracy skills of French-language students. A total of \$13.5M has already been provided through the Actualisation linguistique en français (ALF) allocation of the Language Grant. The remaining \$6.5M will also be flowed through the ALF allocation and is intended to help French-language boards:

- Increase the range of unique courses offered at the secondary level; and
- Implement innovative projects to support Grade 7 and 8 students in their transition to French-language secondary schools and to actively engage the parent community in the process.

This investment is part of the government's multi-year funding strategy to address the recommendations of the French-Language Education Strategy Task Force.

## **Tuition Fees**

The Ministry has amended the Calculation of Fees for Pupils for the 2005-2006 School Board Fiscal Year – O. Reg. 399/05 to allow pupils who qualified as “pupils of the board” in the previous school year to attend school without the payment of tuition fees. This addresses cases where parents move out-of-province and leave their minor children, who are Canadian citizens or permanent residents, behind to attend school.

## **Ministry Contacts**

If you would like to discuss the Timing of Entitlement approach in further detail, please contact your Ministry Finance Officer or Marie Li at 416-326-0201 or [marie.li@edu.gov.on.ca](mailto:marie.li@edu.gov.on.ca).

If you require further information regarding capital issues, please contact Nancy Whynot at (416) 325-4030 or [nancy.whynot@edu.gov.on.ca](mailto:nancy.whynot@edu.gov.on.ca).

For further information regarding education funding, please contact Didem Proulx, Director, Education Finance Branch at (416) 327-9060 or [didem.proulx@edu.gov.on.ca](mailto:didem.proulx@edu.gov.on.ca).



Nancy Naylor  
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Business and Finance Division

Cc : Superintendents of Business and Finance  
Senior Plant Officials

**Table 1: Good Places to Learn, Final Stage I Allocations**

<b>Name of Board</b>	<b>Maximum Total Value of Urgent and High Priority Projects that may be undertaken</b>
District School Board Ontario North East	\$5,600,507
Algoma District School Board	\$8,566,032
Rainbow District School Board	\$11,348,912
Near North District School Board	\$11,422,809
Keewatin-Patricia District School Board	\$4,196,161
Rainy River District School Board	\$1,072,658
Lakehead District School Board	\$5,722,015
Superior-Greenstone District School Board	\$1,498,725
Bluewater District School Board	\$14,384,686
Avon Maitland District School Board	\$15,736,931
Greater Essex County District School Board	\$27,319,674
Lambton Kent District School Board	\$13,930,892
Thames Valley District School Board	\$41,210,971
Toronto District School Board	\$175,426,757
Durham District School Board	\$34,178,196
Kawartha Pine Ridge District School Board	\$20,046,679
Trillium Lakelands District School Board	\$4,714,058
York Region District School Board	\$27,532,179
Simcoe County District School Board	\$33,557,187
Upper Grand District School Board	\$14,163,653
Peel District School Board	\$53,515,740
Halton District School Board	\$20,243,575
Hamilton-Wentworth District School Board	\$34,103,412
District School Board of Niagara	\$49,974,365
Grand Erie District School Board	\$19,857,897
Waterloo Region District School Board	\$24,732,097
Ottawa-Carleton District School Board	\$47,997,615
Upper Canada District School Board	\$10,847,832
Limestone District School Board	\$23,041,672
Renfrew County District School Board	\$8,592,082
Hastings and Prince Edward District School Board	\$17,758,146
Northeastern Catholic District School Board	\$593,601
Nipissing-Parry Sound Catholic District School Board	\$2,910,248
Huron-Superior Catholic District School Board	\$3,534,484
Sudbury Catholic District School Board	\$6,629,471
Northwest Catholic District School Board	\$242,004
Kenora Catholic District School Board	\$389,401
Thunder Bay Catholic District School Board	\$5,609,488
Superior North Catholic District School Board	\$1,444,496
Bruce-Grey Catholic District School Board	\$1,451,485
Huron-Perth Catholic District School Board	\$1,120,758
Windsor-Essex Catholic District School Board	\$7,867,503
English-language Separate District School Board No. 38	\$5,753,149
St. Clair Catholic District School Board	\$3,943,656
Toronto Catholic District School Board	\$39,166,136
Peterborough Victoria Northumberland and Clarington Catholic DSB	\$2,272,590
York Catholic District School Board	\$10,423,811
Dufferin Peel Catholic District School Board	\$13,249,338
Simcoe Muskoka Catholic District School Board	\$6,079,445
Durham Catholic District School Board	\$2,785,579
Halton Catholic District School Board	\$1,557,316
Hamilton-Wentworth Catholic District School Board	\$7,963,970
Wellington Catholic District School Board	\$1,461,091
Waterloo Catholic District School Board	\$6,082,548
Niagara Catholic District School Board	\$17,271,446
Brant Haldimand Norfolk Catholic District School Board	\$3,736,736
Eastern Ontario Catholic District School Board	\$6,219,937
Ottawa-Carleton Catholic District School Board	\$19,644,533
Renfrew County Catholic District School Board	\$2,319,798
Algonquin and Lakeshore Catholic District School Board	\$5,520,784
Conseil scolaire de district du Nord-Est de l'Ontario	\$387,631
Conseil scolaire de district du Grand Nord de l'Ontario	\$2,556,615
Conseil scolaire de district du Centre Sud-Ouest	\$7,607,684
Conseil de district des écoles publiques de langue française No 59	\$6,274,889
Conseil scolaire de district catholique des Grandes Rivières	\$5,044,082
Conseil scolaire de district catholique Franco-Nord	\$3,572,837
Conseil scolaire de district catholique du Nouvel-Ontario	\$7,658,633
Conseil scolaire de district catholique des Aurores boréales	\$538,819
Conseil scolaire de district des écoles catholiques du Sud-Ouest	\$3,964,416
Conseil scolaire de district catholique Centre-Sud	\$6,572,429
Conseil scolaire de district catholique de l'est Ontarien	\$11,052,079
Conseil scolaire de district catholique du Centre-Est de l'Ontario	\$7,471,767