

**Ministry of Education**  
Business and Finance  
Division  
22nd Floor, Mowat Block  
Queen's Park  
Toronto, ON M7A 1L2

**Ministère de l'Éducation**  
Division des opérations et des  
finances  
22<sup>e</sup> étage, édifice Mowat  
Queen's Park  
Toronto ON M7A 1L2



**Ontario**

**2004:B7**

**MEMORANDUM TO: Directors of Education**

**FROM: Kevin Kobus**  
**Assistant Deputy Minister**

**DATE: May 26, 2004**

**SUBJECT: Funding for Pupil Accommodation**

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I am writing further to Numbered Memorandum 2004:B5 to provide additional information regarding enhancements that have been introduced into the Pupil Accommodation component of the Grants for Student Needs for the 2004-05 academic year.

#### **Grants for New Pupil Places**

Benchmark construction costs used to determine Grants for New Pupil Places have been increased by 2 percent as illustrated below:

	<b>Benchmark Construction Cost, 1998</b>	<b>Benchmark Construction Cost, 2004</b>
<b>Elementary</b>	\$11.00 per sq. ft. (\$118.40 per m <sup>2</sup> )	\$11.22 per sq. ft. (\$120.77 per m <sup>2</sup> )
<b>Secondary</b>	\$12.00 per sq. ft. (\$129.17 per m <sup>2</sup> )	\$12.24 per sq. ft. (\$131.75 per m <sup>2</sup> )

To maintain consistency with modifications incorporated into the 2004-05 Grant Regulation, several amendments have been introduced to Ontario Regulation 444/98 governing the disposition of surplus real property. Those sections dealing with the calculation of the maximum price for the sale or lease of a school to another school board are required to reflect the increase to the benchmark construction cost used in the calculation of Grants for New Pupil Places. This change will take effect on September 1, 2004.

This change will apply only to eligible pupil places that had not been constructed by boards prior to October 2003. The construction cost benchmark figures used when the model was introduced in 1998 will continue to be applied to those pupil places constructed by boards prior to October 2003. Changes to construction costs since Fall 2003 will not impact board costs for schools already constructed. Appendix F of the Pupil Accommodation Grant Technical Document (copy attached) illustrates how funding allocations will be determined in light of these changes.

Information regarding the number of pupil places constructed prior to October 2003 is available on the Ministry's file transfer website at: <ftp://ftp.edu.gov.on.ca/sfis/May2004/Constructed>. These reports reflect information that boards have provided through the New Schools Facility Report of the School Facilities Inventory System (SFIS). It is possible that this information is incomplete. Boards are asked to review the reports for accuracy and make any necessary changes to data reported in the SFIS by August 31, 2004. It is the Ministry's intention to incorporate this updated information directly into the grant regulations in future years.

### **Grant for School Renewal**

A 2 percent increase has also been applied to the benchmark costs used to determine Grants for School Renewal – from \$0.64 per sq. ft. (\$6.89 per m<sup>2</sup>) to \$0.65 per sq. ft. (\$7.03 per m<sup>2</sup>) for facilities that are less than 20 years of age; and from \$0.96 per sq. ft. (\$10.33 per m<sup>2</sup>) to \$0.98 per sq. ft. (\$10.54 per m<sup>2</sup>) for facilities that are more than 20 years old.

### Energy Retrofit Allocation

One-time funding of \$25 million will be provided to school boards in 2004-05 to assist them to undertake energy retrofit projects in their schools. The use of these funds, which have been distributed among boards on the basis of need, is subject to specific guidelines. Those guidelines, along with documentation of the calculation of individual board allocations, are outlined in the document *Energy Retrofit Allocation* which may be obtained from the Ministry's file transfer website at <ftp://ftp.edu.gov.on.ca/sfis/May2004/Energy>.

### **Grant for School Operations**

Benchmarks used to determine Grants for School Operations have been increased by 2 percent in 2004-05. Further increases to these benchmarks have also been incorporated into the Grant Regulations in recognition that additional resources are required to enable boards to effectively operate clean and safe schools. Overall, the Benchmark Operating Cost has been increased from \$5.44 per sq. ft. (\$58.56 per m<sup>2</sup>) to \$5.72 per sq. ft. (\$61.61 per m<sup>2</sup>) – an increase of 5.2 percent.

### Allocation for Licensing & Related Fees for Approved Asset Management Software

Beginning in 2004-05, school boards will also be provided with an allocation to offset the cost of licensing and related fees associated with approved asset management software. This software will assist boards to develop and implement effective renewal programs for their schools and document changes in school condition over time. Additional information regarding this program will be communicated to boards by Ministry staff under separate cover.

### **Rural Education Strategy Allocation**

Through the Rural Education Strategy (RES), boards received funds to supplement allocations for school operations and renewal in distant schools. These allocations will continue. In 2004-05, each board will receive an amount equal to the "top-up" funding it received through the RES funding component of the Grant for School Operations and Grant for School Renewal in 2003-04. Some boards also experienced an increase in their Grant for New Pupil Places. This amount will also be recognized in 2004-05.

## Good Places to Learn Initiative

On May 25, 2004, the Premier announced a long-term commitment to support \$2.1 billion worth of repair and renovation projects for schools. This investment will be financed by a \$200 million amortization fund as recommended by the Report of the Education Equality Task Force in 2002, led by Mordechai Rozanski. Individual board allocations will be announced in the near future.

## Pupil Accommodation Review

The Pupil Accommodation Review Committee, an advisory group comprised of Ministry and school board personnel, has been asked to provide advice on how to improve the Pupil Accommodation component of the funding model. Specifically, the committee has been asked to develop recommendations which would:

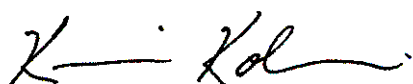
- enable school boards to keep good schools open (with special emphasis on small, rural schools);
- encourage and facilitate greater use of school facilities by community groups;
- consider regional cost differences in the determination of Grants for School Operation provided to cover the cost to heat, light, clean and maintain schools.

Approximately \$61 million has been reserved to support these initiatives in 2004-05. Decisions regarding the distribution of these funds will be made next Fall following receipt of the Committee's advice next Fall.

## Resource Materials

The Ministry's calculations of preliminary estimates of each board's pupil accommodation grants for 2004-05, as well as an updated technical paper regarding the pupil accommodation component of the funding model, may be obtained from the Ministry's file transfer website at <ftp://ftp.edu.gov.on.ca/sfis/may2004>.

Questions regarding this material should be directed to Drew Nameth at 416-325-4030 (e-mail: [drew.nameth@edu.gov.on.ca](mailto:drew.nameth@edu.gov.on.ca)) or to Lygia Dallip at 416-325-2017 (e-mail: [lygia.dallip@edu.gov.on.ca](mailto:lygia.dallip@edu.gov.on.ca)).



Kevin Kobus  
Assistant Deputy Minister  
Business and Finance Division

cc: Superintendents of Business  
Senior Plant Officials

## **Excerpt from Appendix F of the Pupil Accommodation Grant Document**

### **Comparison of Calculation of Grants for New Pupil Places (1998 and 2004)**

The following table illustrates how Grants for New Pupil Places would be determined using updated construction cost benchmarks. In this example, it has been assumed that 4,000 elementary and 2,000 secondary pupil places had been constructed between September 1998 (when the funding model was introduced) and October 2003.

Of the 5,900 elementary pupil places eligible for funding, 4,000 places would be funded on the basis of 1998 construction cost benchmarks, and 1,900 places would be funded on the basis of 2004 construction cost benchmarks.

Similarly, of the 3,000 secondary pupil places eligible for funding, 2,000 places would be funded on the basis of 1998 construction cost benchmarks, and 1,000 places would be funded on the basis of 2004 construction cost benchmarks.

**Table F – 1  
Calculation of Grants for New Pupil Places Using Updated Benchmarks**

	A	B	C	D	
	Area per Pupil Place (per sq ft)		Benchmark Construction Cost (per sq ft)	Geographic Adjustment Factor	Total New Pupil Place Allocation (AxBxCxD)
<b>Elementary</b>					
Average Daily Enrolment, 2004-5	25,000				
"NPP Capacity"	20,000				
Difference	5,000				
Capital Transitional Adjustment Allocation	500				
Enrolment Pressures Allocation	-				
Prohibitive-to-Repair	400				
Total Pupil Places Eligible for Funding, 2004-05	5,900				
Pupil Places Constructed Prior to October 2003	4,000	100	\$ 11.00	1.100	\$ 4,840,000
Remaining Pupil Places Eligible for Funding, 2004-05	1,900	100	\$ 11.22	1.100	\$ 2,344,980
					<b>\$ 7,184,980</b>
<b>Secondary</b>					
Average Daily Enrolment, 2004-5	8,500				
"NPP Capacity"	6,000				
Difference	2,500				
Capital Transitional Adjustment Allocation	-				
Enrolment Pressures Allocation	-				
Prohibitive-to-Repair	500				
Total Pupil Places Eligible for Funding, 2004-05	3,000				
Pupil Places Constructed Prior to October 2003	2,000	130	\$ 12.00	1.100	\$ 3,432,000
Remaining Pupil Places Eligible for Funding, 2004-05	1,000	130	\$ 12.24	1.100	\$ 1,750,320
					<b>\$ 5,182,320</b>
<b>Summary</b>					
Grants for New Pupil Places (Elementary)					<b>\$ 7,184,980</b>
Grants for New Pupil Places (Secondary)					<b>\$ 5,182,320</b>
<b>Total</b>					<b>\$ 12,367,300</b>
<b>Assumptions:</b>					
<b>Elementary</b>					
Benchmark Construction Cost (1998)	=		\$11.00/sq. ft.		
Benchmark Construction Cost (2004)	=		\$11.22/sq. ft.		
<b>Secondary</b>					
Benchmark Construction Cost (1998)	=		\$12.00/sq. ft.		
Benchmark Construction Cost (2004)	=		\$12.24/sq. ft.		