

2009: B9

MEMORANDUM TO: Directors of Education

FROM: Nancy Naylor
Assistant Deputy Minister

DATE: July 20, 2009

SUBJECT: Primary Class Size Capital Wrap-Up

We are writing to advise boards of the Ministry's plans for a wrap-up and report on the Primary Class Size (PCS) Capital program.

As you are aware, the Ministry worked directly with boards during the early stages of the PCS implementation to identify which elementary schools would require expansion, renovation and/or additional portables to support the smaller primary class size objectives.

The PCS capital allocation process was based on a number of principles:

- Priority was placed on local recommendations about where new space was best located, in light of existing attendance boundaries and neighbourhood sensibilities.
- Allocations in most instances assumed that up to two available classrooms could be in use for speciality rooms such as art and music and were not available for PCS space needs.
- Allocations respected and retained space that had been converted to child care centres.
- Funding allocations assumed permanent construction, although it was acknowledged that, in some instances, boards would continue to use portables to support transitional space needs.

In total the Ministry allocated \$716M to support a projected 1,900 new classrooms.

School boards have done an excellent job of planning and completing the capital changes to support primary class size. In both 2007-08 and 2008-09, school boards across Ontario met the objective of having essentially 90% of their primary classes at 20 students or fewer, with up to 10% at 23 students or fewer.

It is noteworthy that in most cases, the complex and numerous capital projects that were required have been completed and that elementary students in all grades were supported in good places to learn and with minimal disruption. School boards, and in particular their capital and facility staff, are to be congratulated on this positive outcome.

A school board's actual need for PCS capital funds may be less than the amount originally allocated to the board. School board reporting through the Education Financial Information System (EFIS) and the School Facilities Inventory System (SFIS) indicates that a number of boards have not fully used their PCS capital allocation. This is not surprising as primary enrolment has continued to decline in many boards since the PCS capital allocations were provided and because some PCS accommodations have been met without the need to spend PCS capital funding.

The Ministry is now initiating a confirmation of PCS capital projects/expenditures in preparation for a wrap-up and report on this capital program.

Ministry capital portfolio analysts will be in touch with board staff to confirm the following:

- PCS related capital projects and expenditures that have been completed and entered into the SFIS system and/or reported in EFIS
- PCS capital expenditures that need to be long term financed in upcoming OFA debenture issues
- PCS capital projects planned by the board including expected timing and amount of PCS capital to be used

The Ministry recognizes that there may be, in exceptional circumstances, remaining PCS capital projects. For example, school boards may be finalizing an elementary capital project that will incorporate space supported through PCS which has been delayed due to the need to complete an Accommodation Review. There may also be portable replacement projects that are linked to a larger planning area capital review.

As you are aware, all new capital projects are subject to the Ministry's transfer from reserve approval as per Memorandum 2006:B8 – Education Funding for 2006-07 dated June 12, 2006, including capital projects funded in part or wholly with PCS funding.

Boards are reminded that PCS allocations were only to be used to support PCS accommodation needs and that all boards provided the Ministry with a board resolution to this effect. PCS capital funds may not be used to top-up other capital project requirements. Given that virtually all boards have met their PCS objectives for the past two school years, boards will be expected to demonstrate, as part of the transfer from reserve request, how the portion of any new capital project which uses PCS funding addresses a PCS accommodation need of the board.

The Ministry recognizes that the report and recommendations of the Special Advisor on Early Learning, *With Our Best Future in Mind*, was recently released and boards have questions regarding the potential implications for their schools including possible capital funding needs. At this time the government has made no decisions with respect to responding to Dr. Pascal's report. The government has, however, reaffirmed a commitment to investing \$200M in 2010-11 and \$300M in 2011-12 to launch full-day learning for four- and five-year olds and has stated that it will continue working with Dr. Pascal to develop a strategy for implementation beginning in September 2010.

At this time, as the PCS reduction initiative has reached maturity, boards should focus on completing their planning and implementation of PCS capital accommodation projects. Finalizing PCS accommodations will leave boards well positioned to respond to possible future policy and/or implementation directions for Early Learning initiatives.

The Ministry will work over the coming months to confirm boards' final PCS capital projects/requirements by October 31, 2009.

Thank you for your accomplishments in implementing the reduction in primary class sizes in Ontario. We look forward to working with you on future capital programs.

Sincerely,


for Nancy Naylor
Assistant Deputy Minister

cc. Superintendents of Business
Chairs of the Board