



2006 : SB10

**MEMORANDUM TO:** Superintendents of Business

**FROM:** Nancy Whynot  
Director

**DATE:** June 30, 2006

**SUBJECT:** **Primary Class Size Capital Funding Changes for 2005-06 and 2006-07**

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I am writing to provide you with further information on the changes made to the funding approach for Primary Class Size (PCS) capital needs in both 2005-06 and 2006-07. These changes are reflected in the amendments to the 2005-06 Grants for Student Needs (GSN) and the 2006-07 GSN.

The changes in PCS capital funding reflect the government's intention that this funding represents a one-time adjustment for a board's elementary capital stock to allow for the construction or acquisition of additional classroom space to address PCS related accommodation pressures.

### **Changes to Elementary On-the-Ground (OTG) Classroom Capacity**

For the purpose of determining PCS space needs only, OTG capacity in 2005-06 has been reduced from 23.5 for all elementary classrooms to 20 for purpose-built Kindergartens and 23 for all other elementary classrooms. This change represents the new average classroom loadings due to the cap on Primary Class Size. In 2005-06, the loadings to calculate top-up funding will remain at 23.5 for elementary schools. Effective in 2006-07, elementary OTG capacity for all funding purposes will be based on 20 and 23.

### **Change to the Allocation Approach for Primary Class Size Capital**

The Ministry has streamlined the regulatory approach for Primary Class Size capital that was introduced as part of the February 2006 in-year amendment to the 2005-06 GSN. Regulatory provisions in 2005-06 have been amended and replaced with a table outlining the board-by-board allocation of pupil places to meet PCS space needs. This table is attached in Appendix 1.

These allocations were calculated by aggregating the space needs of each elementary school in a board. Each school's PCS space needs were calculated through the formula below.

$$\text{School's Primary Class Size Space Needs} = (A - B), \text{ if negative} = 0$$

Where:

$$A = \left[ \begin{array}{c} 2005-06 \\ \text{school ADE} \end{array} - \begin{array}{c} 2005-06 \\ \text{OTG}_{20 \& 23} \\ \text{of school} \end{array} \right] \text{ If } A < 0, \text{ then } A = 0$$

$$B = \left[ \begin{array}{c} 2005-06 \\ \text{school ADE} \end{array} - \begin{array}{c} 2004-05 \\ \text{OTG}_{24 \& 24.5} \\ \text{of school} \end{array} \right] \text{ If } B < 0, \text{ then } B = 0$$

The amount calculated for each school can be found in the *Primary Class Module* in the Student Facilities Information System (SFIS)<sup>1</sup>.

Primary Class Size capital funding is calculated for each school board by applying the following formula to the board's aggregated PCS space needs.

$$\begin{array}{l} \text{School Board's Primary Class Size Capital Allocation} \\ \text{=} \\ \text{School Board's Primary Class Size Space Needs} \end{array} \times \begin{array}{l} \text{Benchmark Elementary Area Requirement per Pupil} \\ \text{(9.7m}^2\text{)} \end{array} \times \begin{array}{l} \text{Benchmark Elementary Construction Cost} \\ \text{(\$120.77)} \end{array} \times \begin{array}{l} \text{Geographic Adjustment Factor} \end{array}$$

### School-by-School Review of PCS Space Needs

The Ministry will work with school boards to review the need for Primary Class Size pupil places at each elementary school. This review is intended to identify if the pupil spaces a board requires to address its PCS space needs have been accurately identified by the formula. School boards will need to document in the *Primary Class Size Module* the number of spaces at each school that they believe reflect the school's PCS accommodation pressures.

While the PCS space needs have been calculated on per pupil basis, school boards should base their review in terms of the number of additional classrooms required at a school to address the cap on Primary Class Size.

School boards should note that the purpose of this review is not to approve the capital projects that a board intends to undertake to address their PCS accommodation pressures, but rather to identify PCS related space needs at a school.

<sup>1</sup> This module is located within the Program-Related Capital section of the Capital Planning tool in SFIS

## Basis for Making Adjustments to the Calculated Primary Class Size Space Needs

The circumstances to be reviewed by the school board and the Ministry to determine if a school's calculated PCS space needs have been accurately captured are identified below.

1) *Using other pupil places available in the school or at a nearby school*

Examine the opportunity to address a school's PCS spaces needs, in whole or in part, by using space available within the school, or by using excess student spaces at nearby schools.

2) *Re-drawing attendance boundaries*

Examine the opportunity to address a school's PCS space needs, in whole or in part, by adjusting school attendance boundaries so that any excess student spaces available in a family of schools can be more efficiently utilized.

3) *Program offerings in schools*

Examine the opportunity to address a school's PCS space needs by moving either a program or certain grades offered at a school to another school with excess student capacity.

4) *Proportion of primary and junior grade at a school*

Examine whether the calculated PCS space need at a school accurately reflects the grade structure at the school.

The calculated PCS need is based on the capacity of a school with grades JK to 8. Where the grade structure of a school consists of a higher proportion of primary grades to junior grades, additional spaces may be required. If the grade structure consists of a lower proportion of primary grades or no primary grades, fewer or no spaces may be needed.

5) *Site limitations*

Examine whether a school has unique site limitations that can demonstrably increase the cost of addressing the school's PCS space needs. In some circumstances, the Ministry may recommend more spaces so that additional funding may be provided to overcome the school's site limitations.

A school board will need to document the expected higher costs to overcome these site limitations for Ministry review.

6) *The presence of tuition paying students*

Examine if the presence of tuition students, such as First Nation or Visa students, at a school may require a higher PCS space need than was calculated.

The calculation to determine a school's PCS space needs was based on the Average Daily Enrolment (ADE) of the school. ADE does not include tuition paying students at the school.

Tuition students are those identified in section 2 (3) of Ontario Regulation 400/05.

7) *Specialized teaching spaces*

Examine if a school has dedicated classrooms offering specialized teaching spaces for classes, such as art and music, which may require a higher PCS space need than was calculated. School boards will need to determine the reasonable number of specialty classrooms they consider essential to keep for a school.

8) *Specialized programs*

Examine if the presence of specialized programs offered at a school (e.g. special education programs) may require a higher PCS space need.

If the option to remove these programs would be disruptive for the students, the Ministry may recommend higher space needs for the school.

These programs may require higher space needs than the formula calculates because:

- i) the loadings in the dedicated classrooms used for these programs may be considerably lower than the average classroom capacity used to calculate the school's need; or,
- ii) the ADE used in the calculation of need does not adequately reflect the students enrolled in these programs.

9) *Permanent spaces added in 2005-2006 to address Primary Class Size need*

Examine if permanent classroom space has been added to a school in 2005-06 for the purposes of addressing the school's PCS classroom space needs. The Ministry may recommend additional spaces at a school, if the calculated need at the school has been understated due to the increase in the school's 2005-06 OTG capacity as a result of this classroom addition.

10) *Need to provide for full classrooms*

Examine the need to provide additional spaces at a school, when a school has a Ministry confirmed PCS space need, for the purposes of ensuring sufficient spaces are identified at the school to construct new classrooms.

The school board should review PCS space needs in terms of the number of classrooms required at a school to accommodate its PCS reduction.

Where the Ministry confirms a PCS space need, it will recommend 23 pupil spaces as a proxy for number of spaces that are required to generate the necessary funding to construct a classroom. For example, if a school has a calculated space need of 39, a board may identify this school as having a need for two classrooms. If the Ministry confirms this space need, it would recommend an additional 7 spaces for the school to reflect the need for two PCS classrooms (i.e. 39 spaces + 7 spaces = 46 spaces, 46 represents 2 classrooms of 23 spaces).

The Ministry will use this proxy regardless of the type of capital project the board decides to undertake to meet the school's PCS space needs. It is expected that this approach will encourage school boards to add permanent classroom space at schools where enrolment projections can support these

projects. The decision to build permanent classrooms or acquiring non-permanent space to meet a school's PCS space need is at the discretion of school boards.

School boards should note that the Ministry will require documentation to support any requests for higher PCS space needs at a school than were calculated by the PCS Space Needs formula.

Following the review process, the Ministry will provide in writing to a school board the revised number of spaces that the Ministry will recommend for approval to the Lieutenant Governor in Council (LGIC). The school board will be required to confirm that they agree to this revised number before the Ministry will submit this recommendation to the LGIC. Where these revised PCS space needs are approved by the LGIC they will be reflected in a future grant regulation amendment.

A template of the letter the Ministry will send to school boards to confirm a board's PCS space needs is found in Appendix 2.

### Review based on a School's PCS space needs in 2005-06

For the school-by-school review, school boards should only identify any additional space needs they have based on a school's PCS accommodation pressure in 2005-06, that will continue through 2007-08.

Any PCS related accommodation pressures at a school in future years will be addressed by the change in the funding area benchmark used for calculating the elementary Grant for New Pupil Places.

As part of the 2006-07 GSN, the elementary funding area benchmark will be increased to 9.7 m<sup>2</sup> from 9.29 m<sup>2</sup>. This change applies to all new pupil places that a board reports were constructed after September 30, 2003. All new elementary spaces will now be funded based on the space needs required to address the reduction in Primary Class Size.

### **Eligible Uses for PCS Capital Funding**

While PCS capital funding can only be used to construct or acquire classrooms that are required to address a school board's Primary Class Size capital needs, there is flexibility on how a board can use the funding it is allocated.

The Ministry is not requiring school boards to use the PCS capital funding at the school that generated the allocation. For example, a board may choose to pool the primary class allocation that was generated at four schools to build an addition at one of these schools that will meet the PCS space needs of all of these schools.

### **Changes to Primary Class Size Module in the Capital Plan**

Changes are in the process of being made to the *Primary Class Size Module* in SFIS to both reflect the revised approach and to add greater transparency and accountability.

The most significant of these changes is that school boards will now be required to identify for each of their schools, that either generate a PCS space need or where a board identifies a PCS space need, the following:

1. The number of PCS spaces that are calculated for a school that can be accommodated through non-capital alternatives, or are not required.
2. The number of additional spaces, if any, required above the school's calculated PCS space needs that require capital funding.

In addition, an area will be added to in the *Primary Class Size Module* that will allow the Ministry to identify the number of spaces it will propose, for each school, for approval to the LGIC.

### **Additional Information Requirements**

To facilitate the Ministry's review of a school board's space needs, school boards are recommended to submit a summary to the Ministry outlining the board's PCS space needs.

The Ministry suggests that boards use the format below for this summary.

1. By planning area, identify each school that the board believes requires capital funding to address the school's PCS space need.
2. Identify the grades contained within the school and if any non-regular programs are offered within school that are relevant to the school's PCS space needs.
3. For each of the above schools, identify briefly why the school PCS accommodation needs cannot be met through non-capital alternatives (e.g. within the school, through boundary changes, etc.)
4. Identify the type of capital project the board plans for to address the PCS accommodation (e.g. portables, permanent addition, etc.) at the school and the number of classrooms required.
5. Any other information the board believes is relevant.

This summary will supplement the information in the *Primary Class Size Module* of SFIS and can be used as an overview of the board's PCS space needs and how the board plans to address these needs.

An example of such a summary submitted by a school board can be obtained from the Ministry from the contacts listed below.

### **Access to Primary Class Size Capital Funding**

To access PCS capital funding, school boards must report in SFIS the proportion of any capital project's total cost that is related to accommodating Primary Class Size needs.

Each new capital project of a school board is required to be reported in the *New Facilities Module* of SFIS. A template needs to be completed by the board for each new capital project. A section of each template allows a board to enter the proportion of each project's total cost that is related to addressing Primary Class Size needs. School

boards need to complete this section of the template for each project that is being undertaken to address, in whole or in part, PCS space needs.

The PCS related costs reported in the *New Facilities Module* will be used to populate a board's Financial Statements. Once the Financial Statements are released by the Ministry and populated by a board, the school board will be able to access Primary Class Size capital funding based on Timing of Entitlement provisions discussed in the section below.

### **PCS Capital Funding Timing of Entitlement Provisions**

As part of the end-of year 2005-06 GSN amendments, Timing of Entitlement provisions related to specifically PCS capital funding have been introduced.

As with the Timing of Entitlement provision related to the Grants for New Pupil Places, school boards can access their PCS capital funding for a PCS related project when the project is reported as being completed, under construction or at tender.

The cost associated with leasing space or purchasing temporary elementary space for PCS related purposes will be reported under the same rules as it is for the Timing of Entitlement under Grant for New Pupil Places, with the exception that it will be reported as a PCS related cost.

One difference from the Timing of Entitlement provision related to the Grant for New Pupil Places is that program retrofits undertaken for PCS purposes will be subject to Timing of Entitlement. This will allow boards to access PCS capital funding for program retrofits.

The reporting dates for PCS Timing of Entitlement Provision are the same as the reporting dates that apply to the Grants for New Pupil Places.

### **Ability to Access to PCS Capital Funding before Ministry Approval of Spaces**

School boards will receive a preliminary PCS capital funding amount in their 2006-07 estimates based on the Table in Appendix 1, taking into account Timing of Entitlement provisions.

Once the Ministry and the school boards both agree on the recommended final PCS number of spaces, the amount of PCS capital funding will be updated in the 2005-06 financial statements and will also be updated for the 2006-07 financial statements.

School boards should recognize that if a board reports a higher level of PCS capital expenditures than is recommended by the Ministry and approved by the LGIC, the board will only receive the approved funding level. School boards will be responsible for financing expenditures on PCS related capital projects that are in excess of the PCS capital funding ultimately approved by the LGIC.

### **Ministry Tracking of School Board PCS Capital Projects**

Even though the Ministry is not approving PCS related capital projects, it will still be tracking through the *Primary Class Size Module* in SFIS the capital projects that boards

are planning to undertake to address PCS accommodation pressures. School boards need to identify, for each school, their plans to address their space requirements in the *Primary Class Size Module*.


The Ministry recognizes that a board's plans for addressing a school's PCS accommodation pressures may change over time. School boards are required to update these plans in the *Primary Class Size Module* once a board has finalized its plans to address a school's PCS related space needs.

The Ministry will also be tracking through the *New Facilities Module* in SFIS how school boards are progressing in putting in place classroom spaces required to meet the cap on Primary Class Size in 2007-08. The expectation of the Ministry is that school boards will begin reporting the majority of their PCS related capital projects in 2006-07, so that the spaces will be available when the cap comes into effect in 2007-08.

The Ministry will be following up with school boards through-out the 2006-07 school year on their progress to ensure that classroom spaces in place for 2007-08 to meet the cap on Primary Class Size.

### **Contact Information**

If you require further information about Primary Class Size capital funding, please contact Grant Osborn at (416) 325-6268 ([grant.osborn@edu.gov.on.ca](mailto:grant.osborn@edu.gov.on.ca)) or Lise Bolduc at (416) 212-1180 ([lise.bolduc@edu.gov.on.ca](mailto:lise.bolduc@edu.gov.on.ca)). Grant and Lise are also available to meet with school boards to review a board's Primary Class Size capital needs and to answer any questions about the funding approach.



Nancy Whynot  
Director

cc. Senior Plant Official  
Senior Planning Officials



## APPENDIX 1: Primary Class Size Capital Funding

DSB No.	Board Name	PCS Space Needs	PCS Annual Capital Allocation (\$)
2	Algoma DSB	22.0	29,638
55	Algonquin and Lakeshore Catholic DSB	271.5	311,693
8	Avon Maitland DSB	69.9	81,886
7	Bluewater DSB	134.0	158,547
51	Brant Haldimand Norfolk Catholic DSB	229.5	263,475
35	Bruce-Grey Catholic DSB	30.0	35,496
52	Catholic DSB of Eastern Ontario	390.5	448,309
64	CSD catholique Centre-Sud	181.5	208,369
65	CSD catholique de l'Est ontarien	100.5	118,910
62	CSD catholique des Aurores boréales	0.0	0
60.1	CSD catholique des Grandes Rivières	148.5	226,152
66	CSD catholique du Centre-Est de l'Ontario	83.5	93,905
61	CSD catholique du Nouvel-Ontario	1.0	1,394
60.2	CSD catholique Franco-Nord	0.0	0
63	CSD des écoles catholiques du Sud-Ouest	6.5	7,386
59	CSD des écoles publiques de l'Est de l'Ontario	0.0	0
58	CSD du Centre Sud-Ouest	45.0	51,662
57	CSD du Grand Nord de l'Ontario	0.0	0
56	CSD du Nord-Est de l'Ontario	0.0	0
22	DSB of Niagara	341.5	388,055
1	DSB Ontario North East	16.8	25,388
43	Dufferin-Peel Catholic DSB	1,744.9	2,043,979
45	Durham Catholic DSB	626.0	711,339
13	Durham DSB	1,817.0	2,085,988
23	Grand Erie DSB	523.0	606,552
9	Greater Essex County DSB	787.5	894,856
46	Halton Catholic DSB	783.0	908,088
20	Halton DSB	913.5	1,059,436
47	Hamilton-Wentworth Catholic DSB	538.5	599,294
21	Hamilton-Wentworth DSB	613.0	689,386
29	Hastings and Prince Edward DSB	271.0	314,293
36	Huron-Perth Catholic DSB	44.0	51,545
31	Huron-Superior Catholic DSB	42.5	56,260
14	Kawartha Pine Ridge DSB	811.0	940,561
5.1	Keewatin-Patricia DSB	0.0	0
33.2	Kenora Catholic DSB	12.0	19,540
6.1	Lakehead DSB	6.0	8,575
10	Lambton Kent DSB	172.0	199,478
27	Limestone DSB	269.5	309,397
38	London District Catholic School Board	436.5	490,892
4	Near North DSB	7.0	9,348
50	Niagara Catholic DSB	337.9	383,964

<b>DSB No.</b>	<b>Board Name</b>	<b>PCS Space Needs</b>	<b>PCS Annual Capital Allocation (\$)</b>
30.2	Nipissing-Parry Sound Catholic DSB	0.0	0
30.1	Northeastern Catholic DSB	0.0	0
33.1	Northwest Catholic DSB	43.5	70,833
53	Ottawa-Carleton Catholic DSB	816.5	908,679
25	Ottawa-Carleton DSB	962.0	1,081,875
19	Peel DSB	3,660.5	4,288,162
41	Peterborough V N C Catholic DSB	263.0	301,934
3	Rainbow DSB	94.0	127,737
5.2	Rainy River DSB	0.0	0
54	Renfrew County Catholic DSB	31.0	36,316
28	Renfrew County DSB	0.0	0
17	Simcoe County DSB	2,012.9	2,358,050
44	Simcoe Muskoka Catholic DSB	451.0	533,616
39	St. Clair Catholic DSB	32.3	37,082
32	Sudbury Catholic DSB	23.0	30,985
34.2	Superior North Catholic DSB	0.0	0
6.2	Superior-Greenstone DSB	0.0	0
11	Thames Valley DSB	1,340.0	1,522,675
34.1	Thunder Bay Catholic DSB	240.5	338,086
40	Toronto Catholic DSB	1,805.6	2,115,204
12	Toronto DSB	2,478.9	2,903,955
15	Trillium Lakelands DSB	260.0	328,948
26	Upper Canada DSB	271.8	315,221
18	Upper Grand DSB	809.4	929,223
49	Waterloo Catholic DSB	498.0	560,056
24	Waterloo Region DSB	1,478.5	1,662,736
48	Wellington Catholic DSB	147.5	167,608
37	Windsor-Essex Catholic DSB	494.0	555,557
42	York Catholic DSB	1,125.5	1,318,488
16	York Region DSB	2,962.0	3,469,891
<b>TOTAL</b>		<b>35,129.4</b>	<b>40,795,955</b>

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**APPENDIX 2:**  
**Sample Approval Letter**

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Date, 2006

Mr/Ms. XX  
Director of Education  
District School Board  
Street  
City, Ontario  
Postal Code

Dear Mr/ Ms. XX:

**Re: Confirmation of Primary Class Size Spaces Needs**

I am writing to inform you that the Ministry has completed its review of XYZ District School Board's Primary Class Size (PCS) space needs. With the collaboration of the school board, the Ministry has reviewed the PCS space needs your board has identified at each school in comparison to the needs that were calculated for these schools by the Ministry.

Based on the school-by-school review, the Ministry is proposing to recommend to the Lieutenant Governor in Council (LGIC) that your school board's PCS space needs in the Grants for Student Needs Regulation be adjusted from X to Y as part of a future grant regulation amendment. If this recommendation is accepted, the adjustments will be applied to your board's Financial Statements. The attached report details how this recommended number of PCS space needs was derived.

Before the Ministry will make its recommendation to the LGIC, your school board is required to confirm in writing to the Minister of Education that it agrees with this revised PCS space needs number as it accurately reflects your school board's PCS related space needs. As well, your board is required to attach to its confirmation letter a copy of a board resolution indicating that Primary Class Size capital funding will only be used for projects that address the PCS space requirements.

If you have any questions about your Primary Class Size capital funding, please contact Grant Osborn at (416) 325-6268 ([grant.osborn@edu.gov.on.ca](mailto:grant.osborn@edu.gov.on.ca)) or Lise Bolduc at (416) 212-1180 ([lise.bolduc@edu.gov.on.ca](mailto:lise.bolduc@edu.gov.on.ca)).

Yours sincerely,

Nancy Whynot  
Director  
Business Services Branch

## Ministry Report of Recommended PCS Space Needs for XYZ District School Board

Facility Name ID	Calculated PCS Space Needs	School Board proposed adjustments	Total School Board PCS Space Needs	Ministry recommended PCS Spaces Needs	Comments
<b>Planning Area: Area 1</b>					
School A	17	6	23	23	To round up to provide full a classroom
School B	66.5	2.5	69	69	To round up to provide full a classroom
School C	20	-20	0	0	Move Grade 7 & 8 to a nearby school with excess space
School D	25	-2	23	23	PCS need can be accommodated by one classroom
School E	36	33	69	69	Proportion of JK-3 classrooms are greater due to being a JK-4 school
<b>Planning Area: Area 2</b>					
School F	0	23	23	23	Special program in school was not reflected in the PCS need calculation
School G	50	-50	0	0	Grade 4 to 8 school does not have a PCS space need
School H	0	23	23	23	Due to higher headcounts due to presence of VISA & Native pupils
<b>Planning Area: Area 3</b>					
School I	40	-40	0	0	Boundary change accommodated PCS pressure